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The Nation's Business

The White Spot Where Taxes Die

WHILE taxes everywhere else on the continent have been moving up, they have been coming down in Nebraska—down a third in the last 10 years.

Nebraska boasts that it is the White Spot of America. It is the one place where there is no debt, no sales tax, no income tax, no luxury tax. The Financial Post sent a staff writer to Lincoln to see how it was done.

His first article appears on page 9 of this issue. We should like to feel that every citizen and law-maker in Canada would read it.

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NEBRASKA had a head start in its economy drive. A constitutional prohibition against debt forced a cash payment policy even in good times.

But Nebraska needed something more vital than this to effect a tax saving of $139 millions in the last decade. And that something is a public awareness of public expenditure. The public accounts are news in Nebraska.

When any new scheme is proposed, voters ask: What will it cost? Instead of letting pressure groups run away with new expenditures, voters are organized as one big pressure group to prevent unnecessary expenditures.

Taxes are simple and painful. They object to new and hidden taxes in the White Spot. Painless taxes are easy taxes for the politicians to spend, they say.

In the White Spot they talk of dollars. In Canada we talk of millions.

In simple, dramatic ways the meaning of all state expenditures is brought home to the voters.

Economy is not left to the politicians. There are county and city taxpayers organizations. There is the Nebraska Federation of Taxpayers' League with 84 branches. There is no similar organization in Canada.

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WITH this active backing it is no wonder that there is at the head of the State a governor who never thought of entering politics; who was drafted for the job by the non-partisan taxpayers' leagues because he had a record of sound administration as State engineer.

And Governor Cochran, after four years in office, still knows how to say *no.*

In the White Spot Governor Cochran gets as many cheers when he lops another $10,000 off the budget as a politician in another state who promises the people something for nothing.

In Canada there has been no concerted effort to put economy across with the voters.

In Canadian politics there are few vote-seekers who believe that economy pays, or at least that it pays them in votes.

Until mounting deficits are brought home to the voters, until waste of public money is reduced to specific, understandable terms, there is no reason to expect that the Canadian politician will learn to say—no.

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What Big Crop Means to Canada

WITH a big wheat crop this fall Canadian business will again be operating under more normal western conditions. For over five years impetus from the flow of new money into the Prairie Provinces has been lacking. Mining, tourist and forest industries have been carrying the load but naturally have been unable to bring recovery to that vast section of Canada where wheat is king and will remain king for many years to come.

Much, of course, will depend upon price, though volume, now assured, is of first importance. Only through liberal volume at fair prices can we hope to regain old markets and penetrate new ones. Volume is vital if our widespread and elaborate wheat marketing machinery—elevators, railways, flour mills and terminals—is to operate profitably.

From a producers' standpoint, too, it is very much better to have a large harvest, well distributed, even at a low price, than $1.50 per bushel with crop failures over wide areas. That sort of thing has reduced two thirds of our wheat country to a relief basis. It has cost us hundreds of millions in foreign trade. The big harvest now ripening will check western poverty and replace it with a flood of eager purchasing power. It will also proclaim to the whole world that recent direful predictions of soil exhaustion were sheerest bunkum.

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A Simple Truth From Mr. Hepburn

ONTARIO'S Premier Hepburn is so impulsive that he often says things he really does not mean and initiates policies that he later must completely reverse.

But in the background there is always the canny respect of the successful farmer for solid thrift and common sense. Thus, while Mr. Hepburn never makes a mistake by halves, he seldom takes two bites at eating the right cherry.

In a speech last week he said:

"The way to stimulate the building trade is not by this foolish

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Sudden Burst Of Purchasing Seen in West

Greatest Revenue Since 1928 is Expected From Crop

WIDESPREAD EFFECT

By GORDON L. SMITH
Staff Writer, The Financial Post

WINNIPEG.—A big wheat crop in western Canada this fall, even at moderate prices, is expected to release purchasing power unequalled since 1928. That was the last big year for the Prairie farmer. Since then harvests generally have been far below normal, with the single exception of 1932. That coincided with the lowest wheat prices in almost 50 years.

Huge Buying Backlog

This long succession of lean years has resulted in huge depreciation and a backlog of deferred buying that will run into hundreds of millions of dollars. Roads, bridges, schools, houses, stores need rebuilding. The average age of cars, trucks and tractors in the rural areas of southern Saskatchewan must be close to eight years. Binders and other farm machinery are generally of still more ancient vintage.

Large scale buying of clothes, radios, furniture and household equipment only awaits money from the wheat crop now nearing maturity. In the strictly financial field there is at least reasonable expectation of interest payment on mortgages, and hard-pressed municipalities are hopeful of giving tax collectors something to do again.

Manitoba Gives Indication

Some indication of the booming new business to be expected came from central and northern Manitoba last fall. In that section, unlike the rest of the West, the wheat crop was large and prices were highly profitable. As a result, machinery sales were more than doubled.

One distributing point about 100 miles west of Winnipeg reported a total of 400 tractors, worth at least $500,000, sold in 1937. And for each $1,000 to $1,800 tractor sold there would also be a sizeable order for special harvesting and cultivating machinery. The tractor is now considered the best yardstick for measuring activity in the farm implement industry, because this machine, hauling cultivators, binders and combines, is used for putting the crop in and taking it off.

Expect Record Implement Sales

All through the West this summer implement dealers are preparing for record sales. Big warehouses in Winnipeg, Regina, Saskatoon, Calgary and Edmonton and in smaller centres are being stocked to the roof with shiny new machinery. Shelves are filled with spare parts for repairing implements already in use. Something like a famine in parts is freely predicted, if the crop turns out anything as well as expected.

In those wide areas of southern Saskatchewan and Alberta, where drought has ravished the country for the last five years, everyone knows now that present machinery will be absolutely incapable of handling a big crop.

Binders and combines have had little or nothing to do since 1932 and in many cases are now so old and dilapidated that no amount of hay-

(Continued on page 4)

Hayes Steel Volume Holds

Idle Chatham Plant Sold to Chrysler Corp. For $100,000

Business of Hayes Steel Products Ltd. has been "quite satisfactory" in so far as the automobile parts section is concerned in the first half of 1938. Although the balance of the year is regarded as promising, it will be August or September before new models of General Motors and Chrysler are in production and the year's schedules fairly definite.

The mining equipment division has achieved new peak sales and production volume this year and is still growing. This line is particularly valuable in that it is not subject to the seasonal fluctuation that hits the automobile equipment business. Hayes Steel makes a line of grinding balls and has a special type of rock drill which is receiving a favorable reception.

The third division, transmission line hardware, is making a satisfactory comparison with a year ago. The company has made arrangements with Canadian General Electric whereby the latter handles the selling of the transmission line hardware.

Chatham Plant Sold

The company's Chatham plant has been sold to Chrysler Corp. of Canada. Sale price is around $100,000. Chrysler will take possession on October 1, when payment is to be made. It is understood that Chrysler is planning to use the plant for service requirements. The plant has been idle since 1931, when some of the equipment was sold to Kelsey Wheel Co., in which Hayes Steel retains a 20% interest. Operations of Hayes Steel have been consolidated in its Merritton plant.

It is understood that Hayes Steel has made further progress this year in strengthening its financial position. The 6% first mortgage bond issue, of which $204,050 was outstanding at Dec. 31, has been reduced below $200,000 through purchases in the open market.

Last year Hayes Steel earned $1.98 a share on its preference stock on which dividend requirements are 60 cents annually. Regular payments have been made this year and last. It is understood that the matter of a common dividend has not yet been considered by directors.

Highlights of the Week

Geological Survey, with 300 men and 59 parties in the field, is carrying on a steadily expanding programme to block out Canada's mineral resources.
Mapping Trails to Wealth—p. 15.

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Paper and Pulp industries face a more encouraging period in the next six months and the gains for some companies may be pronounced. By the end of the year it is confidently expected production and marketing will be on a stabilized basis.
Newsprint Strengthening—p. 8.

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Atticus, famous London columnist, predicts that in the next national election in Canada, Ontario's Premier Hepburn will throw his influence against Premier King and support Tory leader Robert Manion.
London Calling—p. 3.

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New building for old is being achieved at the Canadian National Exhibition by masking the entire exterior with an asbestos cement shell in modern design. New technique for production of exhibition structures and possibly for ordinary commercial buildings is described.
Building With a Mask—p. 8.

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White Spot in the black tax map of America, Nebraska goes against the trend and cuts taxes 33%. Suffering from as serious drought conditions as Saskatchewan, the state operates on a cash basis without debt and without nuisance taxes. A staff writer of The Financial Post tells how it's done.
Down Came Taxes—p. 9.

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Dominion Foundries May Double Plate Mill

Enlarged Tin Plate Capacity Said to be Under Consideration

Dominion Foundries & Steel Ltd. may increase capacity of its tin plate mill before long, according to current reports. Expansion to be considered may double the plant, it is said. No official confirmation of this report can be obtained and it is likely to be September before decision will be made on the matter.

At present Dominion Foundries' tin plate mill has a capacity of about 30,000 tons annually. In a letter sent to shareholders recently in connection with the offering of rights, C. W. Sherman, president, said:

"The full rated capacity of this department has been reached and at times exceeded. The high quality of our cold reduced tin plate is of great sales assistance in meeting duty-free competition from Great Britain and dump competition from the United States on tin plate used in cans exported from Canada."

The company announces plans for increasing its production of hot-rolled strip steel and to further finish such steel to meet the demands of the trade. This will be done in four-high continuous mills. The latest improvements in such mills will be features of the equipment and automatic electric control for variable speed motors is expected to increase economy of operation.

By arrangement with the bank which holds the company's 4½% serial notes, the company has been able to redeem and cancel the $960,000 first mortgage 5% bond issue which had been hypothecated as security for the serial notes. The serial notes were outstanding to the amount of $500,000 at the end of 1937 and $100,000 of this matured on May 30, 1938. The balance matures $100,000 annually to 1940 and $200,000 on Nov. 30, 1941.

The Toronto Stock Exchange has been advised that the company has issued an additional 318 common shares at $15 a share under the employees' stock purchase plan. A balance of 8,719 shares has been allotted and partly paid for under this plan.

In addition to this, common shareholders of record July 15 were given the right to subscribe to one new share at $15 a share for each four shares held. These rights expire on July 30, and, if fully exercised, would require the issue of 30,163 additional common shares and result in the company receiving about $452,500 additional capital.

Unit in Canada 40% Up on U.S.

Better pace of business in Canada in contrast with lag in the United States, shown by last week's survey by the Financial Post of companies doing business in both countries, is accentuated by report of one such firm made available this week. Its operations on both sides of the border constitute an industrial enterprise of some importance, but its identity is withheld by request. Sales of the parent company in the United States dropped approximately 20% in the eight months ended June 30, in comparison with the parallel 1936-37 period. The falling off was intensified in May and June, when the comparative decrease was 30%. In the same eight months, the business of the Canadian unit of the enterprise showed an increase of 20%.

Canada Seeks Mercury Ore

Three Companies in British Columbia Develop Cinnabar Deposits

Three mining companies in British Columbia are reported to be developing cinnabar deposits in the hope of commercial mercury production. Apart from these there is no immediate prospect of any commercial production of mercury in the Dominion.

Such operations in Canada have been relatively rare. There have been some deposits of cinnabar or sulphide of mercury reported in British Columbia and one in Ontario. A small quantity of mercury was recovered from the silver ores of the Cobalt area. To date, however, the total output has been negligible, amounting only to some 138 flasks between 1895 and 1897 in British Columbia and about 12 flasks between 1910 and 1918 from the treatment of the Cobalt ores.

If a mercury deposit of any magnitude can be developed in Canada it will be of tremendous importance, because Italy now controls a large proportion of the world's supply. Should Italy definitely take over the Spanish mines she would control about two thirds of the total available.

Material for Munitions

As the metal is an important constituent in the manufacture of detonators and fuses, it is of vital importance in the armament programme of the Empire.

In 1937 Canada's imports were 394,354 pounds valued at $371,178 compared with 78,781 pounds valued at $66,511 in 1936. It is used mainly in this country in chemical and metallurgical plants though research is being carried on to find new uses for it.

The companies which are developing cinnabar deposits in British Columbia are Manitou Mining Company, Conarden Mercury Mines and Anglo-Western Mercury Mines. All three are operating in the Bridge River district.

Bell Telephone Stations Increase

From Our Own Correspondent

MONTREAL. — Bell Telephone Company of Canada recorded a net increase in telephone service during the first five months of 1938, of $7,823, according to an official statement issued by C. F. Sise, president. This represented about one half the gain for the same period of 1937.

Long distance revenues for the five months were approximately 6% below those of a like period of 1937.

"Any improvement in business conditions should find early reflection in the company's revenues," stated Mr. Sise.

Fresh Attack On the Banks Alberta Plan

Caucus Secrets Reveal Aberhart Followers Restive

NEW SCRIP SCHEME

From Our Own Correspondent

EDMONTON. — Mr. Aberhart is still at it.

A dozen of his most important pieces of legislation have been thrown out of the courts, or disallowed, as unconstitutional.

He suffered a stinging defeat in Saskatchewan.

He has a restive party and his province is very clearly as far away from the Social Credit millennium as ever.

But the Aberhart band are indefatigable legislators, halted in their course by no reverse.

They are now busily drawing up a new set of plans which, they claim, will bring near their special brand of Utopia.

Herewith are matters which Mr. Aberhart has under consideration:

Campaign against the banks.

Establishment of baby banks or credit unions.

Issuance in a new form of scrip money.

Declaration of war on Federal Government.

Rewriting of the Canadian constitution.

Bankers Under Fire

Fresh attack against the banks is a prime consideration. The Dominion Government or the courts can toss away Aberhart's Bank Tax Act, his Act to deprive bankers of civil rights, his Act to dictate to the banks by means of local Social Credit boards. The Premier can make indignant pleas to Ottawa that pressure be brought to bear on the banks not to close branches in Alberta. Mass meetings of citizens can be held in scores of Alberta communities protesting the Premier's policy as regards the banks and pleading that their community be not deprived of banking facilities.

But an unprecedented campaign against the banks and bankers is the new scheme submitted to the caucus. Develop hatred against the banks and keep it at boiling point is the order.

As interpreted by Major Douglas, godfather of the Alberta brand of

(Continued on page 2, col. 3)

Outlook Is Better For B.C. Lumber

Exporters Foresee Upward Trend in Future Prices

VANCOUVER. — Lumber prices continue at a low level, but there is a distinctly better feeling in the industry in British Columbia. Majority of lumber manufacturers believe that the market has hit bottom and that the next move will be upward.

"Prices have not firmed, but the long decline has definitely stopped," said one exporter. "Improvement is probably due to psychological causes rather than a fundamental change for the better in the general business situation. Whatever the cause, it has brought a better tone in the market."

The United Kingdom has been holding back orders pending settlement of the price situation. Russia recently slashed prices again, and British buyers have been wondering whether Canadians, Finns, Swedes and other lumber producers will follow suit.

Prospect for Stocks Viewed as Favorable

Investment Trust Officials Anticipate Opportunities in Coming Months for Profitable Buying of Common Issues on Selective Basis

Canadian investment trusts feel that over the next few months prospects for buying stocks will be favorable, perhaps more favorable than at the moment.

As a guide for the investors who have neither the time nor the opportunity to make the careful investigation always desirable in buying securities, The Financial Post has asked a number of investment trust officials to outline their ideas.

While on many points officials are not in absolute agreement there was general belief that:

1. Investment should be largely confined to Canada so long as proper diversification was possible.
2. Common stocks are favored over bonds or preferreds.
3. A switch in emphasis is taking place from safety and assured income to greater attention to capital appreciation.
4. Management remains the most important single factor in judging the desirability of a company for investment.

Favored Industries

While there may be little enthusiasm for buying any stocks at present, it is generally conceded that certain industries are in a better position to benefit from the longer term upward trend which is felt to be coming. Among those favorably regarded by investment trust officials are:

(1) Concerns likely to benefit from the expected larger western Canadian wheat crop, such as farm implements.

(2) What is known as the "feast and famine" group of companies now apparently turning to munition and airplane manufacture.

(3) Selected newsprint companies.

Avoid Government Interference

On the other hand, there appear groups which are in ill repute among this group of investment experts. Fear of the results of the growing sphere of Government influence on industry is the chief reason advanced for avoiding certain companies. In one instance this has gone so far as to mean that investment in any company operating in Quebec province is avoided so far as possible.

Government interference is so far most noticed in the utilities and with about two exceptions this group of companies is not favored by Canadian investment trusts at present.

Emphasis is everywhere placed on the importance of watching changing conditions in investments. As one man put it: "The old grey mare, she ain't what she used to be." It is becoming more difficult to see very far ahead and investments apparently should be made with a shorter term view. There can be no more buying a stock and locking it away to leave to your grandchildren. Continual vigilance is needed.

Watch For War Scares

Generally recognized is the potency of the restless international political and economic situation to bring unexpected trouble to the unwary investor. But it is felt that, for the next few months, the danger of trouble is becoming less.

Whatever the investors' opinion on the prospects for international complications may be, he would apparently be well advised to avoid investing in companies whose major business is in other countries. The United States is apparently most favored of foreign countries. But the chances of such companies as Brazilian Traction regaining their former investment status are not well regarded.

Bonds are playing a smaller part in the investment policy of Canadian investment trusts. If safety of principal and assured income are desired and needed, then bond yields of anything over 4% should be avoided. Beyond that the element of risk be-

(Continued on page 2, col. 7)

Aluminium Ltd Business Holds

Some Slackening Noted But Situation Considered Hopeful

From Our Own Correspondent

MONTREAL. — Operations of Aluminium Ltd. and its domestic and overseas units are, on the average, fractionally under that reported a year ago. The present volume of business is satisfactory under the circumstances, but there has not been the gain indicated by the export figures.

Exports of aluminum from Canada closely reflect activities at the company's huge Arvida plant, as the latter accounts for almost all of the country's shipments overseas. The export trade up to the end of last May indicated a relatively sharp expansion in business this year.

Trade returns are not wholly dependable as a barometer of the business being handled by Aluminium Ltd. or its Canadian subsidiary, Aluminum Co. of Canada, as it is the practice to produce and ship from Arvida to the various associated companies to meet anticipated demands. Consequently while exports are a close index of production they do not necessarily indicate sales or earnings.

Trend of Exports

The manner in which exports have increased this year is shown in the following table:

Aluminum Exports

	1938 $	1937 $
January	752,000	373,000
February	2,699,000	598,000
March	1,824,000	1,319,000
April	1,221,000	661,000
May	2,469,000	4,007,000

Plant Operations Here

The Arvida plant and the plant at Shawinigan Falls are working steadily. The converting plant at Toronto has slowed down somewhat from last year's high level.

No definite particulars are available on operations of the overseas units. The world wide ramifications of the company make it particularly difficult to secure a cross-section of business, but the current trend is regarded favorably.

The market for non-ferrous metals has been quiet in recent months. However, the general picture is encouraging and it would require very little improvement in world conditions to bring about a stronger demand for aluminum and aluminum products.

Big Year in 1937

No information is available as to earnings. If sales do not show any material change between now and the end of the year, it is unlikely that the income account will show any improvement over 1937. In that year the company reported operating profits of $13.8 millions, compared with $5.5 millions the year before. Net income available on the preferred stock was equal to $107.37 a share and on the common $11.83 a share. In 1936 the company earned $18.56 a share on the preferred and $2.51 a share on the common.

Even without any material change in the current trend, earnings should be above the average of recent years.

Heavy Capital Outlay

It is to be expected that the financial position of Aluminium Ltd. will show further strengthening this year. At the end of 1937 the net working capital position stood at $13.7 millions. While this repre-

(Continued on page 2, col. 4)

More Moisture Would Help Crop

WINNIPEG.—Crop prospects in western Canada are not as bright as 10 days ago. Lack of rain is beginning to be felt in some areas and there has been more than usual damage from grasshoppers. Rust has appeared over fairly wide areas, but actual loss, due to large blocks of resistant wheat is believed small, and nothing very serious is feared.

On the whole, however, the situation remains much more favorable than recent somewhat alarming reports would indicate. Moreover, wheat over the whole western area has made such a good start and is now so far advanced that a good average yield is practically assured, with something much better than average with further rains.

Common Sense Speculation

New Regulations Force New Pattern for Falling Markets Which Trader Predicts Will in Future Be Violent and Swift

By "The Trader"

Bear markets of the future, in all probability, will present a different pattern from those of the past, by virtue of the radical, new rules of the Securities and Exchange Commission that now govern speculation in the United States and that have their indirect influence even on Canadian markets.

Since early February, 1938, short sales in round lots have been permissible only at a price above the last sale and since late May the odd lots have come under the same ban. The new rules did not prevail during the dynamic phase of the 1937-38 bear market in the fall of 1937. In fact, no long sustained liquidating movement has yet taken place, barring the spill in the closing days of March, 1938, under the new regime.

Curb on Bears

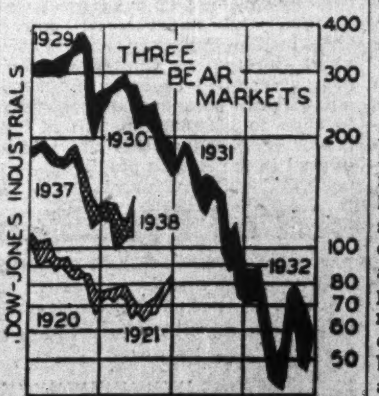
What the new regulations spell is an inability of professional bears to press an advantage. In the old days, once a selling movement was launched, it was possible to accelerate its momentum by pressing stocks for sale "at market," regardless of price. By unloading large lots at typical resistance levels, which are even figures like 50 or 100 for individual stocks, a demoralizing selling movement could be mechanically initiated. Hereafter the bears will have to wait on the advent of genuine selling.

A new pattern has been woven for bear markets by Government regulations which cramp the effort of professional bears to press an advantage.

As a result The Trader predicts that future selling waves will be violent and swift. It would seem that selling, both long and short, will have to be undertaken for the longer pull.

In the next article, the thirteenth of the series, The Trader, who writes Barron's weekly column, "The Trader Looks at the Market," will submit some guiding rules for speculation, not for the purpose of laying down an easy road to riches but with the view of helping to avoid common errors of speculative technique.

The Series appears exclusively in The Financial Post in Canada.



By the same token, it is probable that when a bear market, lacking a substantial short account, gets under way the technical position will be so weak as to be without an important buying cushion. It is a falling market that gives bears confidence in selling short. Hence when selling breaks out the market will lack the stabilizing force of a short interest, which, as it constantly covers, tends to bring about temporary stability or even sharp rallies.

Thus it would seem as though selling, both long and short, will have to be undertaken for the longer pull and be conducted coldly and unemotionally. It may be too late to get rid of large lines of stock once the first ominous little decline makes its appearance. Perhaps in the long run all this may be for the good, inasmuch as few markets are so dominated by emotional thinking as the stock exchange.

Investment Trusts Influence

Another new influence—assuming its potentialities are not modified—is that of investment trusts, now the reservoirs of big common stock holdings. Investment trust ownership has tended enormously to cut down the floating supply of stocks and thereby to make for more rapid price fluctuations. Investment trust managers are as human as anybody else and are prone to be influenced by psychology. Unless a policy is adopted on the part of investment trusts of scale operations, viz., buying and selling on an ascending and

(Continued on page 10)

Refinancing McColl Bonds At Lower Rate

Funded Debt to be Increased by Almost $3.5 Millions

SAVINGS MADE

From Our Own Correspondent

MONTREAL.—The new management of McColl-Frontenac Oil Co. has lost no time in undertaking to refund its 6% first mortgage bonds at a lower rate.

A $12.5 millions refunding issue is currently being offered by a syndicate headed by Wood, Gundy & Co. and McLeod, Young, Weir & Co., and including A. E. Ames & Co., Dominion Securities, W. C. Pitfield & Co., Savard, Hodgson, and Collier, Norris & Henderson. The issue consists of $2.4 millions of serial $3% and 3½% bonds and $10.1 millions of 11-year 4¼% bonds.

The serial bonds mature $300,000 annually up to and including 1946. The 1939-42 maturities bear 3% interest and the 1943-46 maturities 3½%.

Company Gets $12.1 Millions

Proceeds of the issue are to be used to redeem present bonds of the company and to improve working capital. Present bonds are being called for redemption on Oct. 1 next at 103. The price to be paid to the company by the underwriters of the issue is $12,125,000. Of this amount, $9,342,100 will be required to redeem present bonds at 103 without making any provision for premium on U. S. or sterling exchange.

Cost of the refunding operation to the company cannot be calculated at present. However, it will be well in excess of $700,000. This includes discount on the new issue of $375,000, premium on the present bonds of $272,000 and $65,000 of incidental expenses. In addition, a substantial amount probably will have to be used to pay premium on U. S. and sterling funds.

Changes in Balance Sheet

The balance sheet as at May 31 shows a number of changes. Since Jan. 31 working capital has declined from $3.5 millions to $3.2 millions. On completion of the refunding operation it is expected working capital will approximate $5 millions.

Bank loans have increased from $3.4 millions to $3.9 millions. The additional capital raised through the new issue probably will be used to reduce bank loans.

At May 31, funded debt stood at $9,070,000, a reduction of $169,500 in four months. In the same period, the company redeemed 864 preferred shares, the amount outstanding now being $78,828.

Investment in oil properties in Trinidad at May 31 was over $2.6 millions, an increase of more than $525,000 since the end of the fiscal year. Investments, loans and advances after reserves have declined from $753,817 to $491,198.

Interest Charges Lower

Maximum annual interest charges on the new issue will be $507,250, which amount will decrease each year as the serial bonds mature. Bond and mortgage interest in the year ended Jan. 31, 1938, totalled $570,823. The company has about $300,000 of mortgages outstanding.

The prospectus also states it is estimated the aggregate remuneration paid to directors will be reduced in the current fiscal year from $16,859 to $10,500. At the same time the aggregate remuneration paid to officers receiving more than $10,000 annually will be reduced from $248,701 to $185,000.

New Refinery Plan Indefinite

McColl-Frontenac Studying Alberta as Oil Source

MONTREAL. — McColl-Frontenac Oil Co. has no definite plans for the erection of a refinery in Calgary, The Financial Post is informed.

Press dispatches from Calgary have quoted J. M. Pritchard, vice-president, as stating the company plans to support the Alberta oil industry in a big way and to build a $1 million refinery. The company is investigating the possibilities of Turner Valley as a source for crude oil, but plans as yet are indefinite.

A special meeting of shareholders has been called for July 25 to consider certain by-laws which have been approved by directors.

At present shareholders desiring a special general meeting must hold not less than 25% of the share capital. Directors propose this should be reduced to 10% of the share capital, which is the amount required by the Dominion Companies Act.

Quorum Requirement

Under present by-laws 51% of the share capital is required for a quorum. Directors feel this should be reduced to 33 1/3% of the share capital. They point out it is unusual for large companies with wide distribution of share capital to require a majority of shares.

Directors also propose that shareholders should be permitted to nominate and elect directors at a general meeting. Present by-laws of the company require nomination of any shareholders not a retiring director to be made in writing at least seven days before the meeting.

Finally, shareholders are to be asked to approve transfer of the company's head office from Montreal to Toronto. While the head office is to be moved the business of the company will continue to be directed from Montreal.

AUTHORITATIVE STYLING
in
Sports Clothes

Each season finds among our customers a growing number of young business executives and sportsmen who recognize in our offerings a leadership in style and quality that appeals to their own good taste. Our Flannel Trouser section, for example, offers an unusually wide range in cream or grey. Yet note the moderate prices of these all wool flannels—pair

$5.00 to $10.00

Free Parking While Shopping

MEN'S SHOP
Bay Street Section

EATON'S COLLEGE STREET

Saguenay Co. Profits Lower

Earns $2.07 a Share on Common in First Six Months

From Our Own Correspondent

MONTREAL. — Earnings of Saguenay Power Co. and its wholly owned subsidiaries continue at a lower level than last year. In fact, profits have not been sufficient to fully cover the current dividend rate on the common stock.

For the second quarter of the year earnings were at about the same level as in the first three months. Net profit for the period was equivalent to $1.03 a share on the common stock. This compares with $1.04 a share in the first quarter and $1.37 a share in the second quarter of 1937. At present, common dividends are being paid at the rate of $1.25 a share quarterly.

Comparative income and surplus account for the three months ended June 30 follows:

Three Months Ended June 30

	1938 $	1937 $
Oper. revenue	1,129,289	1,216,459
Less: Oper. expenses	145,567	136,639
Taxes	59,394	57,731
Add: Other income	1,741	*6,127
Net revenue	926,068	1,015,962
Less: Bond interest	350,199	358,732
Other interest	324	320
Debt discount	42,268	43,429
Depreciation	178,547	163,253
Income taxes	69,940	93,932
Net profit	284,790	356,296
Less: Pref. divds.	68,752	68,752
Common divds.	262,500	210,000
Deficit for period	46,462	†77,544
Add: Prev. surplus	3,586,402	2,707,285
Profit on securities	......	201,653
Surplus forward	3,539,940	2,986,482

*Debit. †Surplus.

Cumulative returns for the first six months of the year show a decline of $126,000 in net profit. This is due to a reduction in operating revenues and to an increase in provision for amortization.

Net profit for the six-month period was equal to $2.07 a share on the common stock, compared with $2.67 a share in the first half of last year. Common dividends in the first six months of this year totalled $2.50 a share.

Comparative income and surplus account for the six months ended June 30 is shown below:

Income and Surplus Account
Six Months Ended June 30

	1938 $	1937 $
Oper. revenue	2,292,570	2,396,039
Less: Oper. expenses	276,606	273,000
Taxes	118,810	119,272
Add: Other income	5,344	8,257
Net revenue	1,902,498	2,012,024
Less: Bond interest	704,693	718,482
Other interest	546	3,602
Debt discount	126,322	86,858
Depreciation	350,530	332,900
Income taxes	148,563	172,120
Net profit	571,842	698,062
Less: Pref. divds.	137,503	137,503
Common divds.	525,000	1,050,000
Deficit for period	90,661	489,441
Add: Prev. surplus	3,643,801	3,274,270
Profit on securities	......	201,653
Less: Prem. on notes	13,200	......
Surplus forward	3,539,940	2,986,482

Crown Zellerbach Earnings

MONTREAL.—Crown Zellerbach Corp., large U. S. paper concern, reports a consolidated net profit of $6,211,414 for the year ended April 30 last. This is equivalent to $1.57 a share on the common stock. In the previous year net profit amounted to $5,094,403 or 1.08 a share on the common stock.

The Nation's Business

(Continued from page 1)

housing scheme which exists only on borrowed money. There is certainly nothing creditable or even clever about this boasted plan. The only way to stimulate building is by the reduction of taxes."

This was Farmer Hepburn speaking, the man who has put so much emphasis upon a balanced budget for Ontario and who prevented the political domination of the province by John L. Lewis's hirelings.

Ontario would be the best governed area in the Empire if Mr. Hepburn were as shrewdly right 90% of the time as he is at least 50% of the time.

• • •

Mr. Roosevelt's Rôle in Peace

PRESIDENT ROOSEVELT warns that the present armaments race, if continued at the present pace, can only lead to disaster. That is no exaggeration.

Mr. Roosevelt's best contribution to stopping the race would be to restore in the United States the conditions that would lead to the forward investment of capital. Genuine prosperity in his country, based upon confidence in the Government, would soon spread throughout the world as American investors sought to trade and invest abroad. Lifting of economic pressures would take away from the dictators the conditions they thrive on.

Buying Supplies in Defense Needs

SUPPLIES for Canada's defense programme are being purchased nominally through an inter-department committee of civil servants at Ottawa, men divorced from politics. Widespread charges of political favoritism in the awarding of contracts have stirred a feeling in the public mind that the committee may not be functioning any more efficiently than the "shell committee" of war times, that had to be replaced by an independent board.

The problem of a minister in awarding governmental contracts is always difficult. Even in such matters as the purchase of supplies for the defense of the country there are always those who would like to take toll improperly.

The civil service committee ought to be able to do the job efficiently. But in practice some members of the committee are ill equipped for such a job or are too busy on other work to be active on it. It is the Department of National Defence itself that has to accept major responsibility for the purchases.

The minister would protect himself more strongly against criticism and allay suspicions in the country if he were to set up an independent, non-political munitions board to make Canada's major defense expenditures.

Alberta Drive on Banks

(Continued from page 1)

Social Credit, the result of the Saskatchewan election was proof that Prime Minister Mackenzie King "was determined to see that no one but the bankers made anything out of the credit business."

Urging that "pressure" is necessary, Major Douglas declared: "It may be necessary to charge financial and federal officials 15 times the price charged to ordinary citizens, either directly or by a sales tax, pool the proceeds and then distribute them as an initial dividend.

"However difficult the application, the principles to be pursued are simple. First, the enemy must be identified. This has been done. Next his plans must be hampered. Third, his employees must be penalized, and fourth, his enemies must be rewarded."

Thus Major Douglas is quoted by the London correspondent of the Ottawa Citizen.

Keep Taxes Up

Part of the war on the banks is an act to be brought before the House to guarantee to the Alberta Government just as much revenue from the banks as if there remained in Alberta just as many branches as at January 1, 1938. It will be based on the argument that there is a known volume of business transacted by the banks and that there will be just as much volume although many branches have been closed.

A second measure is proposed to get greater revenue from banks, mortgage, trust, loan and insurance companies. This measure will attempt to replace the bill of similar design thrown out by the courts this year. The amount of the extra tax for all is not to be greater than the amount of revenue which the Government estimated it would have derived from the disallowed statute.

Credit Union Plans

Part of the scheme is establishing a broad chain of baby banks or Credit Unions.

The Department of Trade and Industry and the Treasury have been instructed to formulate plans for putting Credit Unions into operation. Intention at present is to experiment in three districts, location not yet decided or disclosed. An educational build-up has started.

The Treasury will not undertake to guarantee the safety of deposits made with Credit Unions, but it will undertake to replenish at a very low rate of interest the funds of Credit Unions as required up to an amount specified in each case. The Treasury department figures it has over half a million dollars lying idle which can be used to promote the Credit Unions. The Post's informant believes the real figure is nearer $800,000.

Complementary to the baby bank plan is a new scheme for an Alberta currency or medium of exchange. The former experiment in this field—the Aberhart scrip-tease—ended an expensive flop.

Now Mr. Byrne—Social Credit's ace braintruster in Canada — is working out another currency plan. Apparently this medium is to be some form of an issue by the Treasury department for which the Treasury will be paid in actual cash, and then purchases of the Aberhart scrip will be made at a discount. Presumably, conscientious Social Crediters are to be the purchasers. This time there will be the baby banks to help it along.

Election Rumors

Possibility that the bank vilification campaign will lead to an election in Alberta is mentioned. When tempers against the banks are boiling, the plan suggested is to spring an election on the cry, "The banks versus the people."

Attack on Ottawa

Another election scheme is contained in a resolution submitted to the recent caucus session, which would later be moved by a private member in the Legislature.

This resolution declares open war on the Federal Government and on the Canadian constitution. As expressed in the written resolution submitted to the caucus, it will mean the laying down of definite allocation of rights and prerogatives by a province and removing from the control of the Dominion Government "certain rights under Confederation, which rights when exercised by the Dominion result in the disallowance of provincial legislation which has for its object and in effect would deliver the people from their financial bondage and the tyranny of the financial oppressors."

Here are other schemes submitted to the caucus:

To embarrass Ottawa, a substantial grant for public works is to be asked. The Cabinet has no expectation whatever that the Dominion Government will grant the request, but the refusal will be useful for political propaganda.

The Production Tax Act is to be redrafted and the crop insurance clause deleted. The tax is to be reduced to 2, 2½ or 3%. The act may provide for the zoning with variable rates according to zones and it will contain an exemption clause. Under the present Act, there are no exemptions.

Aberhart continues to hold control through threat of calling an election. Many members fear this because they know that they would not receive nomination. Of the 52 Social Crediters who attended caucus, 31 were present when it was resolved that the sooner the banks removed from the province the better.

International Petroleum June Production Gains

Crude oil production by International Petroleum Co. increased in June. Daily average for both Peru and Colombia fields was 96,397 barrels against 94,199 in May and an average for the six months of 1938 of 93,464 barrels. Average daily production in the first half of 1937 was 95,280 barrels. Compared with June of last year Peru production is lower, but that from Colombia is higher. This trend has been generally true for all of this year.

Crude Oil Production

1938:	Peru bbls.	Colombia bbls.	Daily Average
January	1,119,764	1,748,572	92,527
February	1,009,851	1,479,904	88,920
March	1,248,339	1,814,774	98,810
April	1,081,263	1,616,684	89,931
May	1,116,059	1,804,111	94,199
June	1,081,857	1,810,049	96,397
	6,657,133	10,274,094	93,464

Business Holding For Aluminum Ltd.

(Continued from page 1)

sented only a moderate gain over the previous year, it is noted that the company made heavy capital expenditures and reduced the outstanding preferred stock from 125,046 to 78,996 shares.

At the moment Aluminium Ltd. has no major capital programmes under way. During the course of the last two or three years some $10 millions were spent in the Saguenay area, principally for enlarging the capacity and improving the Arvida plant. This work is now in the clean-up stage and will be finished shortly.

Cut Debenture Debt

At the beginning of the month Aluminium Ltd. retired $476,000 of its 5% sinking fund debentures, reducing the outstanding amount to $8,188,000. Last year the debenture debt was reduced from $16,950,000 to $8,664,000.

Another development in connection with the company's financial position was its recent acquisition of the Alcoa Power Co. from the Aluminum Co. of America. This operation was handled through a newly formed subsidiary Aluminum Power Co.

Pay $20 Millions for Power

The deal involved the issuance of $20 million 30-year bonds, half of which are payable in American funds and half in Canadian funds. These new bonds carry a coupon rate of 2% annually until 1940 and 4% annually thereafter to maturity.

In acquiring this plant Aluminium Ltd. secured one of the largest developed and undeveloped power sites in the Saguenay area. The plant, located at Chute-a-Charon, has an installed capacity of 260,000 h.p. and can be enlarged eventually to close to 1,000,000 h.p. All of the power produced at this site is delivered to the Arvida plant.

N.B. Shuffles Cabinet Posts

Rumors of General Election This Year Are Revived

Changes in the New Brunswick Cabinet have revived rumors of a general election in that province this fall and that Premier A. A. Dysart will retire from provincial politics.

In the Cabinet shake-up, the Premier transferred the post of Minister of Public Works to Hon. W. S. Anderson and in return assumed the chairmanship of the New Brunswick Electric Power Commission from Mr. Anderson. Dr. P. H. Laporte of Edmundston was appointed Minister of Health and Labor, succeeding the late Dr. W. F. Roberts. E. J. Henneberry, Saint John, was appointed president of the Executive Council, a post formerly held by Hon. A. P. Paterson, Minister of Education and Federal and Municipal Relations.

Reorganization of the Cabinet is interpreted by observers as a move to strengthen the Government's position with the electorate. Dr. Laporte's appointment means there are now two French-speaking ministers in the Cabinet.

Agnew-Surpass Has Good Profit

Report May Show Slight Increase in Earnings

From Our Own Correspondent

MONTREAL.—For the year ended May 31, Agnew-Surpass Shoe Stores will probably report earnings at about the same level as in the previous year. Details of results for the year are not available as yet, but it is known sales showed some increase. Net profit is expected to be equal to or slightly above the $1.03 a share earned on the common stock in 1936-37.

No action has yet been taken on the dividend payable Sept. 1, but directors meet this week. Last year the company paid a regular dividend of 30 cents a share plus an extra of 30 cents a share on Sept. 1. Since results for 1937-38 were favorable it is possible the bonus payment will be as liberal as last year. The outlook for the current year is not as bright, but the company enjoys a strong working capital position. As at May 31, 1937, current assets exceeded current liabilities by $1,053,781.

Quebec Power Surplus Greater

Returns for Half Year Show Healthy Increase in "Surplus"

From Our Own Correspondent

MONTREAL.—Quebec Power Co. reports a gross revenue of $2,050,488 for the first half of 1938. This contrasts with $1,938,429 for the same period in 1937.

Though operating expenses were higher, the elimination of exchange on bond interest and the bond discount, together with lower fixed charges, enable the company to show a surplus of $583,992, compared with $483,887 in 1937.

Comparative figures on the revenue and expense statement follow:

Revenue and Expense Statement
Six Months Ended June 30

	1938 $	1937 $
Gross revenue	2,050,488	1,938,429
Less: Oper., taxes, etc.	1,210,467	1,124,121
Exchange	......	1,631
Fixed charges	256,030	304,266
Bond discount	......	24,524
Surplus*	583,992	483,887

*Before depreciation and income tax.

Dominion Textile Co. Closes Quebec Mill

From Our Own Correspondent

MONTREAL.—Because of labor difficulties which resulted in a miniature riot, Dominion Textile Co. has closed its plant at St. Gregoire de Montmorency until directors meet to decide on the future operations of the branch.

Trouble developed at the plant when 100 employees of the night shift, out of a total payroll of 1,800, went on strike. Strikers stormed the offices of the company where negotiations were in process with company officials. Blair Gordon, president, was struck between the eyes with an inkwell and A. Fisher, assistant superintendent, was hit over the head with a telephone. Mr. Gordon was compelled to sign an agreement providing for higher wages although he told the strikers it did not mean anything.

Union officials deny all responsibility for the strike and the subsequent riot. The strike was unauthorized, the level of wages in the plant being regulated by an agreement between the company and the National Catholic Federation of Textile Workers.

Ford Motor Co. Denies British Arms Orders

Official denial is given to the rumor that Ford Motor Co. of Canada had received an important order from the British Government. W. R. Campbell, president, told The Financial Post that there was "nothing to it" when asked to confirm the report.

The story current in Toronto was that the company had received an order from Great Britain for motors to be used in some portion of that country's rearmament programme. Speculative interest in the prospects of arms orders of any kind from Great Britain has been increased by the announced arrival of a second British airplane mission to this country.

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Security Values Up at Montreal

Increase of $383 Millions Recorded Last Month

From Our Own Correspondent

MONTREAL.—Reflecting the improvement in stock prices, securities traded on the Montreal Stock Exchange and Montreal Curb Market increased $383,3 millions in value during June. At the end of June, securities traded had a value of $7,117,394,491 as compared with $6,734,104,608 at the end of May. As compared with June last year values were down $659,869,637.

Of the 21 classifications, 17 were higher and four lower. Sharpest advance was shown by the pulp and paper group. This group had a value at the end of June of $157,630,548 as against $104,090,622 at the end of May. Declines were recorded by the food industry, gold mines, the retail group. A slight decrease was also shown in the total value of Government bonds.

Volume of trading on the Montreal Exchange in the week ended July 16 was smaller than in the previous week. Transactions involved 214,284 industrial shares and 295,178 mining shares, making a total of 509,462 shares. In the previous week, 355,255 industrial shares and 521,136 mining shares, a total of 876,391 shares, changed hands. In the same week a year ago total volume was 278,906 shares.

Can. Industries Sales Decline

Profits Do Not Compare Unfavorably With Last Year

From Our Own Correspondent

MONTREAL. — Both sales and earnings of Canadian Industries Ltd. in the first six months of the current year were somewhat lower than in the same period of 1937.

According to an announcement made by the company, the general reduction in business activity, and particularly the lower volume in the pulp and paper and automotive industries has retarded progress. However, the maintenance of a high level of activity in the mining industry and the improvement in agricultural conditions has a steadying influence on the company's sales.

While sales in the six months ended June 30 were only slightly lower, profits will show a greater proportionate decline. This is due to lower prices for some of the company's products and to the higher cost of production. However, it is stated profits do not compare unfavorably with the results obtained in the first half of 1937.

In 1937 Canadian Industries earned $7.86 a share on its common stock, compared with $6.45 a share in 1936.

Dome Mines Earnings Show Drop in Half Year

Net profit of Dome Mines Ltd. for the six months ended June 30, 1938, including non-operating income, is estimated at $2,114,057 compared with $2,152,779 in the corresponding period of last year.

The number of tons milled was 299,200 compared with 287,000 and bullion production was $3,640.528 compared with $3,760,285 a year ago. The recovery in the six months just ended was $12.16 per ton against $13.10 in the previous year.

The earnings per share for the period on the publicly held stock were $1.08 against $1.10 in the first half of 1937.

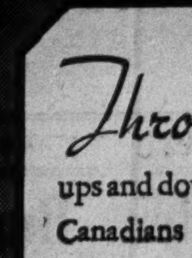
Hydro Bonds Yield is 3.1%

A $12.5 millions issue of Hydro-Electric Power Commission bonds, bearing interest at 3%, is being offered by a syndicate of 21 banks of investment dealers, headed by McLeod, Young, Weir and Co., at 99.15 to yield 3.1% The bonds are guaranteed by the Province of Ontario.

The issue is dated Aug. 1 and will mature Aug. 1, 1948.

General construction activities in southern Ontario will take $7.5 millions of the funds and $2.5 millions will be used for expansion of facilities in the north. The balance is being used for general purposes.

The Commission sold $9 millions of 3¼% bonds in January. Public offering was made at 99 to yield about 3.33%. This represented a cost to Hydro of 3.46%.



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$100 Million Business Seen From British Airplane Orders

Prospects for production in Canada of military aircraft for the British Government will advance a step closer to realization this week, with departure from England of a second air mission to the Dominion. The first mission had an exploratory and advisory function to perform when it visited Canada and the United States several weeks ago. The new emissaries rank high among British air authorities and are empowered to negotiate for actual production of war planes here.

The air minister described the purpose of the new mission as "entering into negotiations with the Canadian aircraft industry for the manufacture of large bomber aircraft in Canada." In combination with the personnel of the mission, this statement has inspired high hopes among Canadian aircraft producers for actual contracts for supply of war planes to Britain. Current likelihood appears to be that the orders will be for large, fast bombing machines, and will entail an outlay running as high as $100 millions.

Production of such planes in this country would require substantial expansion of the present manufacturing facilities of the Canadian aircraft industry, and/or erection of one or more large new plants. Probability is that such expansion, as well as the production of the planes, would be financed on the cost-plus basis of contracts for other war materials. Details of such a contract were outlined in The Financial Post last week in summary of the deal for production of Bren machine guns in Toronto.

Possibility is also seen that other new plants or enlargement of existing ones would be necessary to supply raw materials such as aluminum, and major parts such as engines, for the aircraft to be made.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.55	3.70
Can. Inv. Fund, ex-div.	3.90	4.25
All Can. Trustee	12.25	13.85
Trans-Canada	12.00	12.90
Grouped Income	4.95	5.50
Can. Int. Tr., modified	5.00	5.50
Do., unmodified	4.50	5.00

Prospects for Securities

(Continued from page 1)

comes larger under present conditions of low interest rates, and it is well known that there are generally less chances of recovering capital lost through bond defaults than in companies with no funded debt. On the other hand, it is believed that prices for high-grade bonds are not going to decline to any extent over the next few months.

Union Gas and Gatineau

It has already been suggested that the utility group as a whole in Canada should be avoided. But there is surprising unanimity in making some exception to the rule. Union Gas Co. seems particularly well-regarded. It is felt that the company is less subject to interference than are most others, that it has made a good job of improving its position and that changes coming in the Hamilton area are going to better its chances.

Another exception to the rule that utilities should not be bought, is Gatineau Power Co. One investment trust official suggested that purchases of units of preferred and common stock of Gatineau would give regular income through the preferred dividends and good chances for appreciation in the common.

War Orders Interesting

Majority of men interviewed were interested in appraising the opportunities for profit from the growing prospects for British munitions orders and particularly those for airplanes. This seemed to be based on other considerations as well as the airplane orders. Companies best regarded in this field seem to be Canadian Car & Foundry and National Steel Car. Both of these companies have received an important nucleus of business from Canadian railroads. They are interested in the manufacture of mining machinery. And now they seem in a good position to obtain a portion of any airplane orders that may be placed. It is admitted, however, that risks involved in this business for the investor are above average.

Among other companies in the heavy industries that received favorable mention are Dominion Foundries & Steel and Dominion Steel & Coal. Some fear is felt that the tin plate industry in Canada is in danger of over building but outside of that Dominion Foundries is well regarded.

Opinion seems to be general that the next phase of the recovery will give greater opportunities for profits for the steel and allied industries.

Cashing In On Wheat

Companies doing an important portion of their business in western Canada are receiving a good share of attention at present.

Although admitting that outlook for a satisfactory price for wheat is not as clear as could be desired, there is still going to be a remarkable upsurge in business volume as a result of the better crops.

Western Grocers is mentioned as a promising investment. Ford Motor Co. is another likely to receive a good impetus to its business in the West. But others feel that, while the current $1 a share dividend on Ford stock is safe, it will be a long time before there is much increase.

Farm implement companies are frequently mentioned. Massey-Harris, Cockshutt Plow and Beatty Bros. seem most favored.

One usually astute individual mentioned that Canadian Pacific common held remarkable possibilities for appreciation over the balance of this year. He does not feel that this stock is one that he would care to hold for a long term but as a means of cashing in on the hoped for larger wheat crop, it has attraction.

Somewhat the same emphasis and for the same reasons is placed on Canada Steamship Lines stocks.

Milling and Elevator Concerns

The longer term outlook for the Canadian flour milling industry should not be viewed too optimistically, according to these students of investments. But a better wheat crop is going to improve their position for the next year. Ogilvie Flour stock received favorable comment while speculative opportunities were referred to in Maple Leaf Milling and Western Canada Flour.

Grain elevator concerns are receiving their share of attention but here again it is the possibility of capital gains that are stressed. The feeling seems fairly general that bonds and stocks of these companies have still some distance to go before attaining investment status. Western Grain, Alberta Pacific seem to be most favored.

Newsprints Find Favor

In the newsprints, there are several companies with better than average prospects and in this case emphasis seem to be more on the longer term view. Price Bros. preferred and common and convertible debentures are highly regarded. One authority stated that he considered the most disturbing factor in this instance was the labor outlook in Quebec but he still favored purchases of these securities. International Paper & Power preferred and Great Lakes Paper preferred and common apparently are considered worthy of mention. In one instance mention was made of the purchase of some Minnesota & Ontario bonds.

Emphasis on a belief in better than average management was the reason advanced by another man for recommending the purchase of General Steel Wares, Canada Packers and B. C. Packers. The management factor always received prominent mention. Other companies mentioned for various reasons included Moore Corp., Canadian Westinghouse, Loblaw Groceterias and National Grocers.

The building and construction stocks are not in particularly good favor with investment trust officials. It is felt that the outlook for this industry, even allowing for the stimulation that may be provided by the sales tax elimination and Dominion housing schemes, is far from rosy. Building Products seems to be the possible exception to the general lack of enthusiasm shown for this group.

COTTON FABRICS AND YARNS

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COLONIAL Sheets and Pillow Slips
MAGOG Fastest Fabrics

DOMINION TEXTILE
COMPANY, LIMITED
THE TEXTILE BUILDING, VICTORIA SQUARE, MONTREAL

WESTERN ASSURANCE COMPANY
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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	July	......	....	Oct. 14, '38	$30,000,000	99.878	0.489%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Hamilton Cotton Co.	July	A. E. Ames & Co.	3%	1939-43	$300,000	.....	.....
			4¼%	1950	830,000	100	4.25%
United Towns Electric Co.	July	Royal Securities Corp.	5%	1958	650,000	99	.....
McColl-Frontenac Oil Co.	July	Wood, Gundy & Co. and Syndicate	3-3½%	1939-46	2,400,000	.....	.....
			4¼%	1949	10,100,000	100	4.25%
Hydro-Electric Power Commissioners of Ontario	July	McLeod, Young, Weir and Syndicate	3%	1948	12,500,000	99.15	3.1%

London Calling

by Atticus

London Columnist Predicts Premier Hepburn Will Back Manion at Next Federal Election

DR. MANION

MITCHELL F. HEPBURN

LONDON.—This is the time of the year when I cannot pass the windows of a shipping company but must stop and gaze like a countryman on his first visit to the Metropolis. It is true that every time I see the white cliffs of Dover or sail up the Solent I vow, like Lord Baldwin, that this is the only country in which to live. Then after a time the wanderlust begins again. Strange slogans float through the brain—Paris in the Spring; Vienna in September; Cairo at Christmas; Normandy in Blossom Time; Winter in St. Moritz. There is nothing subtle in these admonitions. They lack both verb and argument but their very directness wears down the mental resistance. But why not add another one to the list? What about "New York when Wall Street booms?"

New York must be an exhilarating place at this moment. That fascinating monstrosity of a city exaggerates both slump and boom with such recklessness. Last summer I was there when the bottom fell out of the market and every New Yorker knew the end of the world was at hand. With what magnificent profligacy must they be enjoying the incredible revival of the last month.

I wish I had been in America this month for two reasons. It would have been exhilarating to see Gotham come to life again. And when that spectacle had grown tedious it would have been possible to cross to Canada and to have seen first hand the important events which have culminated in the Canadian Conservative Party of Canada choosing a new leader in succession to R. B. Bennett.

• • •

The Next Premier?

Unlike Signor Mussolini, who has let it be known that Count Ciano is to be his successor, R. B. Bennett was unable to have his way in Canada. One must be careful in these days of Official Secrets not to say too much but behind the scenes it is believed that Mr. Bennett was opposed to the selection of Dr. Manion who secured the verdict of the Party last week. No doubt Mr. Bennett doubted the wisdom of a Conservative leader being a Roman Catholic, for in the past the Orange Societies were the very background of Conservatism. Times change, however, and no longer does the ardent Protestant attribute everything evil from floods to stock market crashes to the machinations of the Pope.

Dr. Manion was formerly a Liberal but he left his party when it opposed conscription in 1917. His rise to the Conservative leadership proves once more that in politics there is more reward for the sinner that repenteth than for the ninety and nine just men. It is possible that there are Tories at Westminster who have noticed the same phenomenon over here.

Dr. Manion is of Irish extraction, a surgeon, a man of courage and character, and a good speaker. He has one great advantage over Mr. Bennett and Mackenzie King—that is the possession of a charming wife. If he comes to office it will end nearly 20 years of bachelor premiership at Ottawa. Mrs. Manion possesses a political significance of her own. She is a French-Canadian. This, and the fact of her husband also being a Roman Catholic, may at least bring substantial support to the Conservative Party from the French-Canadian Province of Quebec.

• • •

The Next Election

There will be a general election in Canada next year. What will be Dr. Manion's chances of defeating Mackenzie King's Government? It will not be easy. The recent events at Ottawa when Mr. King would not allow Britain to establish training schools for Canadian pilots anxious to join the R. A. F. has roused the Conservatives to a high pitch of Imperialistic fervor. In fact the magnificent speech of Senator Meighen at the Conservative convention was almost on the basis "one king, one flag, one people." It roused immense enthusiasm.

It is true that the Canadian Government has since agreed to allow Canadian pilots to be trained in Canadian controlled schools for the R. A. F. but in the meantime the Imperial issue has been raised and will not easily die. Yet at once Dr. Manion is faced with a dilemma. The French-Canadians are intensely nationalistic. They are loyal to Great Britain but prefer their loyalty to be confined to the North American continent. Thus Dr. Manion will have to try and satisfy the "out and outers" while calming the suspicions of the "in and outers."

With some knowledge of the situation, however, I predict one sensational development. Mr. Hepburn, the Liberal Premier of Ontario (known by his supporters as "Ontario's strong man" and by his enemies as "Ontario's wild man") has been steadily drawing away from the Liberal Prime Minister at Ottawa. In fact there is a definite hostility between Mr. Hepburn and Mr. King. Therefore I predict that in the next general election Mr. Hepburn, the Liberal, will throw his influence against Mr. King, the Liberal, and will support the former Liberal—now the Conservative, Dr. Manion.

All of which proves that Canadian politics will be absorbingly interesting for the next 12 months.

• • •

An Honorable Age

It was good to see Rt. Hon. Reginald McKenna at Westminster last week when he came to give us in committee his impressions of the American situation. The value of such meetings is that they are not reported but it is no breach of faith to remark that I cannot remember him ever speaking with a greater clarity or achieving so many admirable effects with such a conservation of language. Naturally Mr. McKenna was the recipient of innumerable congratulations on his 75th birthday.

I wonder how the political historian will assess him. He was trained in politics by Sir Charles Dilke and modelled his style on his master. In 1911 he was the centre of a storm which has a certain counterpart in the situation of today. Parliament was not satisfied that his administration at the Admiralty was aggressive enough and eventually he had to give way and was replaced by Mr. Churchill. (By the way I was interested the other day to see a prominent newspaper refer to the Rt. Honorable Member for Epping as "Mr. Churchill, father-in-law of Duncan Sandys." As Lord Northcliffe used to say, a journalist should always make it clear whom he is writing about.)

But to return to Mr. McKenna. The reverse at the Admiralty did not discourage him. Instead he went to the Home Office and met the continued onslaught of the Conservatives with extraordinary adroitness. He was never flashy but he was clever. Instead of being battered to the ropes he fought back and confounded his enemies. After the war, however, came the moment when his judgment faltered.

Bonar Law had just succeeded Mr. Lloyd George as Prime Minister after the famous Carlton Club meeting and was preparing to go to the country. He offered Mr. McKenna the post of Chancellor of the Exchequer. Mr. McKenna, who had renounced the Asquith Liberals during the war, could easily have entered the Conservative ranks but was convinced that Bonar Law would be defeated at the polls. He was wrong. Yet the fates were to give him another chance. When Mr. Baldwin succeeded Bonar Law he also offered the Exchequer to Mr. McKenna. This time he did not refuse and negotiations were commenced to secure for him the representation of the City of London. Unfortunately Sir Frederick Banbury was a man who was given to saying "No" and he did not change his tune when it was suggested that he should give up his city seat for the Chancellor-designate. It was an impasse and as no compromise was possible Mr. McKenna, who had set his heart on representing the city, retired from the political scene.

When he took the Chairmanship of the Midland Bank he was the first of the great political figures to exchange the robes of political life for the purple of finance. It was a good move for the Bank since it brought great publicity in its train and added distinction and wide experience to the deliberations of the Board. If Mr. McKenna pined for the political fleshpots he never showed it. But then he has an intelligent, loyal and attractive wife who plays the piano well and believes in the greatness of her husband. With such a prize why should any man sorrow for the pewter pots of political triumphs?

• • •

A Queen Passes

The death of Mademoiselle Suzanne Lenglen was a pathetic thing. They said of Chaliapin when his body lay in state in Paris that he looked like one of the kings that he played so often on the operatic stage. Mlle. Lenglen, too, was a queen—a queen of the courts. There has been no successor to her and I doubt if there ever will be one. At the height of her reign her arrival in any of the summer resorts of the continent was an event. The importance or unimportance of the tournament made little difference. The tournament was Lenglen and the people crowded to see her as a personality not as a champion.

Even the flattery of a Borotra who adored her could not have called her pretty. Her face was lined and her color pallid when she was little more than a girl but her body was so full of grace and youth that one gazed entranced. She brought to lawn tennis something of the spirit of the ballet. Yet with it all there was a dignity as though when the game was over she would ascend her throne and think of serious things. Only France could have produced Suzanne Lenglen. She had all the gay seriousness of la Parisienne. She never forgot the importance of being feminine and she surrendered her whole heart to the game which had enticed her from the ranks of her sex. Perhaps she gave so much to her career on the courts that there was no life left for her when the time came to retire. La reine est morte! That is the end. There is no successor.

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A Voice from the Maritimes

The Case for N. S. Coal

Central Canada Co-operation Seen As Solution to Marketing Problem

By HERBERT L. STEWART

H. L. STEWART

A recent article by Dr. F. W. Gray, assistant general manager of the Dominion Steel and Coal Corporation, Sydney, N.S., presents a challenge of real point to those who have Canadian unity at heart.

Twelve million tons of soft coal, we learn, are imported each year into central Canada. The apportionment of two million tons of this total amount to Nova Scotian collieries would secure the soundness and permanence of the Nova Scotian mining industry. Naturally, the reader will ask, "Can this not be done? Is it 'laissez-faire' that still stands in the way here?"

The urgency of the plea for at least some sort of remedy is clear. Nova Scotia's coal-mining problem has been intensified of late by the sharper pressure of American and British competition. We are told how British and American companies are now crowding the Canadian market, because their sales in other parts of the world have fallen off. At the same time, in Canada itself the demand is far lower than it used to be: in 1932, for example, the consumption of coal was one half what it had been in 1923.

Assigned causes are various: drop in world trade, reducing the demand both for energy and for transportation; petroleum and its products taking the place of coal; water-power electricity; economizing precautions in the use of coal itself. The reason for which I cite these facts from Dr. Gray's article in the magazine, "Public Affairs," is to ask whether we have not here a vivid, concrete case suggesting at least one method to promote Canadian unity.

Losses of the Past

In the Maritime Provinces we have, admittedly, in the past been losers in many an economic interest through Confederation. We are not regretting Confederation on that account, though we must certainly regret the loss. The decisiveness with which our spokesmen reject any proposal to join in making a breach within Confederation has quite lately been exemplified. But are we not entitled to expect that our central Canadian sister provinces will co-operate in reducing, by obviously reasonable concession, the additional economic difficulty which we have to meet? It is a case, one might well urge, for "mutuality."

Dr. Gray points out that Nova Scotian coal fields are dependent for their business on water-carriage via the St. Lawrence River and Gulf to the great Canadian manufacturing centres, and that the twin obstacles salesmen have had to meet—high production cost and long distance transport—are overcome by government subvention. But for these subventions, at least in the critical years 1932-33, disaster would have been inevitable. At the present, what have to be faced with most alarm are the new obstacles noted above; obstacles, as Dr. Gray says, which arise from economic change affecting coal everywhere, but which combine with the particular circumstances of Nova Scotia to intensify a problem already more than hard enough.

Help From Central Canada

Much has been said of late about the need to think of Canadian unity in terms higher than those of material advantage. But our responsiveness to that "higher consideration" we value will often show itself in the give-and-take of ordinary trade relationship. We in the Maritimes have prized the federal principle enough first to sacrifice for it, a great deal of foreign commercial opportunity, and then to adhere to it, though we found the hope of compensating opportunity in business within Dominion borders so long a disappointment. Does central Canada now value the same principle enough to prefer taking our coal from Nova Scotia, at an "apportionment" of quite modest dimensions on which we can rely for each year's business, rather than import such requirements of industry from the United States?

At least no one doubts that just now every such method of increased industrial co-operation will help to tighten a bond which has become rather loose. A cause may be greatly helped by considerations we should never admit to be the chief, still less to me the sole, source of its power. We are in Confederation for something more than trade advantage. But our partners, as they show their willingness to help us—particularly when times are hard—in some trade project will stimulate the spirit from which higher sorts of co-operation come.

And, as the Dominion-Provincial Commissioners realize, a stimulant of this sort is now needed.

Waterloo Manufacturing — Sales volume to date in the current year shows considerable increase, it is stated officially. The annual report for 1937 is expected soon and will show a decided improvement over that for 1936, when a net loss of $126,554 was shown.

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Rail Issue Bound for Shelf

Good Crop May Consign Problem to File of Unfinished Business

By KENNETH R. WILSON
Staff Writer, The Financial Post

When the Senate railway committee adjourned its meetings a few weeks ago it probably brought to an end the latest attempt to come to grips with the Canadian railway problem.

Admittedly, the Senate will continue the job of solving Canada's railway problem. Admittedly, it will put much time and thought on the problem when it reconvenes later this year or early in 1939.

But it is doubtful if Parliament or the Canadian public will pay anything more than passing attention to its deliberations.

Effect of Big Crop

The reason is simple—a big crop.

By the time the Senate meets again, Canada will probably have finished harvesting a bumper crop. Railway revenues and earnings will be on the up-and-up. Carloadings will be soaring to record totals, and Canada will be probably worrying more about lack of railway equipment than too much of it.

Under such circumstances, it will not be easy for even the most hard-boiled Senators to work up much enthusiasm about the Canadian railway problem. The problem will still remain, of course, and it will be to Canada's shame that little or nothing was done during the great depression to solve it.

But as far as politics are concerned, it seems probable that this country, whether the taxpayer likes it or not, will cease to take the railway problem seriously until world or domestic crisis affecting the credit of the Canadian Pacific Railway or the Dominion Government, rears its ugly head.

Story Repeats Itself

It is a rather clear case of history repeating itself.

In 1925, Canadian Senators made an exhaustive study of the problem. They recommended drastic action but by the time the report was ready a "bulge" appeared in the business curve and pushed the problem out of the public minds. Nothing was done.

This, it would seem, is what will happen this year.

Had the Senate begun its work a year ago and had it brought out a vigorous report demanding some type of energetic action, it is probable that not only the Liberal Government but the Conservative convention which met two weeks ago to draw up a new platform and elect a new leader, would have been forced to do something about it.

As it is, the Government itself has done nothing beyond a recapitalization of the C.N.R. It has watched the only important recommendation of the Duff Commission fall into disuse while deficits continued to mount up and while extravagant and wasteful duplication continued unmolested.

Eventual Report

Just what sort of report the Senate Committee will eventually bring down seems difficult to forecast. An increasing number of Senators seem to be coming to the view that compulsory co-operation which, at one time, loomed as an obvious recommendation, is impractical and unwise.

To force the two companies together while they are still maintained as separate corporate entities will, it is argued, only antagonize both employers and employees without gaining any real compensation in money saved.

One argument heard against compulsory co-operation goes so far as to suggest that if it is attempted and ultimately fails, it may prove costly to the Canadian taxpayer in that it will give the C.P.R. shareholders a chance to say the Government forced its hand.

The recommendations of the committee will presumably have economy as the focal point. It is conceivable that it might advise establishment of the three-man committee proposed by S. J. Hungerford to promote the present co-operation plan.

Had there been more time and had not the suggestion come from a man of such pronounced ideas as Sir Edward Beatty, it seems possible that some action might have been taken before Parliament prorogued to implement the suggestion that independent experts check figures and statistics presented so far before the committee.

Senators Confused

Senators were obviously confused by the wide differences in opinion as to what savings might be made by various types of economy and/or unification.

One member of the committee after appraising the evidence so far presented, believes that possible saving from unification should be written down to about $25 millions annually of which about 70% would come out of labor. He suggests that it is a political and physical impossibility to abandon more than about 1,200 miles of track. This, he claims, would cut perhaps $20 millions from the $75 millions estimate of Sir Edward Beatty. From this he would deduct another $20 millions to account for savings which have been made since 1930.

One point upon which the Senators will undoubtedly seek more information later in the year is the extent of depreciation and obsolescence in our existing railway equipment. This may be accentuated by a big crop in the West.

Although no satisfactory answer was forthcoming from railway officials, many senators are convinced that this is the real key to the Canadian railway situation and that the true position of the railway problem will not be found until it is known how much money must be spent to bring these two roads up to present-day standards.

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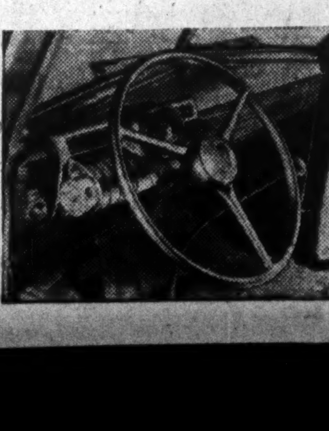

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Investment Trends

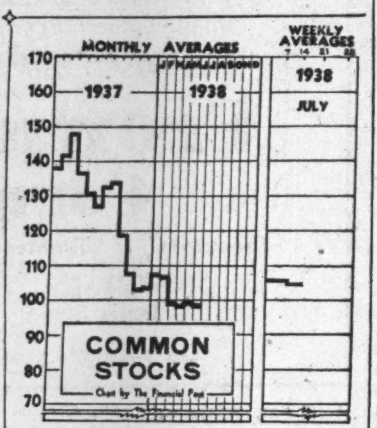
Recovery in Market Past October Levels

Little Sign Yet of Reaction That Orthodox Moves Would Show — Suggestions For Investing in Western Wheat

Stock market students who make the study of charts an important part of their technique have been waiting anxiously for the first sign of the averages breaking through the levels reached at the time of the rebound from the panic declines of last October. At around levels of 130 for Toronto Stock Exchange industrial index, 77 for the Montreal industrials and 139 for the Dow-Jones industrials, it was expected that heavy resistance would be encountered. In other words, there would be a large supply of stock come on the markets at that level.

Both New York and Montreal industrial averages have bettered those October recovery levels, but the Toronto average has not yet done so. Now the question is whether or not this can be taken as proof that the upward movement is going to continue. Encouragement was given when volume of trading in New York on Tuesday exceeded three million shares and prices moved into new high ground.

A reasonable expectation might be that some hesitation around current levels would be seen. Much of the recovery of late June was probably a reaction from a too depressed level. It was in a sense automatic. But continued recovery in stock prices may need something more tangible for support. A period during which prospects for coming months could be more accurately appraised from the standpoint of general business progress should come sooner or later.



Looking For Reasons

It would be very unwise to ignore the potential power of the spending-lending programme getting started in the United States. Consumer industries are going to feel this before long and in turn will need to buy from their suppliers and the circle of better business is under way again. Optimistic business sentiment is generated by advancing stock prices and this optimism in itself creates improvement. This has already happened both in this country and the United States.

Commodity prices are rising, although less rapidly and evenly than a few weeks ago. How much of the commodity price rise, however, is due to speculators and how much is a natural rebound from too pessimistic conditions is not known. But that these were both factors in starting commodity prices on the upward move is pretty generally admitted.

That stock markets in London are more sceptical of the immediate future than are those in Canada and the United States is shown by the rather drastic decline taking place over the past week or two. After reaching new 1938 highs only a few days ago, the London industrial average has dropped from 110.8 to 104.7 at Monday's close. The rail average at 50.4 on the same date was at a new low level for 1937 and 1938.

* * *

Canada's Steel Industry

The way in which the steel industry in Canada has been able to maintain its relatively high production ratio throughout a time when that in most other countries was suffering drastic declines has come in for some comment recently. Nathan and Rosseli, London, in a recent market letter, pointed to the marked contrast between the steel industry and some other important Canadian manufacturing businesses. Particular reference was made to the newsprint industry.

Armament manufacturing, so potent in raising the level of steel production in Great Britain, has had a relatively small influence upon Canadian output. It is suggested that the demand for steel comes from need for machinery replacement in readiness for the industrial expansion believed near at hand.

The London Times, in a recent iron and steel supplement, mentioned the growth of the steel industry in this country and progress being made in supplying domestic needs. In 1913, according to The Times, only 40% of Canadian steel consumption came from Canadian producers, while in 1936 the percentage was about two thirds.

British steel makers do not regard their competitive position in the Canadian market as wholly satisfactory in spite of a tendency for tonnage of United Kingdom steel used in Canada to grow relative to total consumption.

The Times mentions the ability of Canadian steel makers, and particularly Dominion Steel & Coal, to find a market for an appreciable portion of their production in the United Kingdom, South Africa and New Zealand. The Times makes a strong plea for co-operation between steel makers throughout the Empire. Orderly marketing and trade stability are said to be as essential now as in the depths of the depression. The growth of planning in commercial relations between the governments carries with it the necessity that comparable industries in different countries should co-operate with each other and with their governments, concludes The Times.

* * *

Western Crop Winners

It is every day becoming more certain that western Canada is to have a much more satisfactory wheat crop this year. The chief uncertainty still remaining is the price. But a better crop means that much postponed spending will be done. Clothing is said to be one of the most universal needs of the people in the Prairie Provinces. Tip Top Tailors, for example, is likely to have better sales in that part of the country. Firms selling house furnishings and equipment should get more business. In this connection, do not forget General Steel Wares and Simpsons.

In western Canada sales of automobiles are expected to reach record or near-record levels, particularly in Saskatchewan. Ford Motor Co. will get a good share of this. Elevator companies will have more business, but the extent of the improvement for individual companies is going to be largely measured by the proportion of their country elevators that are in the south, the country that looks like it was going to have its first good crop in seven or eight years. Western Grain, Reliance and Alberta Pacific are prominently mentioned in this line.

Last minute buying of tractors, combines and other harvesting equipment is going to be considerable, assuming that the crop maintains present promise for another three weeks. It will be even greater for next year if farm revenue is good. The two leading Canadian manufacturers are Cockshutt Plow and Massey-Harris, but Beatty Brothers should not be forgotten in the field of general farm equipment.

All this is going on the assumption that the crop continues to hold its position. Whether or not it actually does so will not be definite until August. But shortly after then carloadings are going to jump rapidly and Canadian Pacific, with main lines in the south country, stands to benefit substantially.

Power Corp. Net May Show Gain

From Our Own Correspondent

MONTREAL. — Power Corporation of Canada's financial statement for the year ended June 30, 1938, is expected to show a net profit of slightly over $1 million. This would be equivalent to approximately 95 cents a share on the common stock after deduction of preferred diividend.

In the 1937 fiscal year, Power Corp. reported a net profit of $927,538, or 73 cents a share on the common stock.

Hiram Walker Net Declines

9 Mos. Earnings of $6.58 a Share More Than Equal Year's Dividends

Net earnings of Hiram Walker-Gooderham & Worts for the nine months ended May 31, 1938, were equivalent to $6.58 a share on the common stock against $6.69 a share on the corresponding period a year earlier.

All of this decline took place in the last three months which gave net earnings equivalent to $1.48 a share against $2.10. The latest quarter was the first in some time that had failed to show an increase over the corresponding quarter of the preceding year.

In the three months ended May 31, operating profits were down almost half a million, and coupled with some small increase in expenses, accounted for the lower net. In the nine months period, however, operating profits were still above a year ago. Higher expenses, chiefly for income taxes, account for the small drop in net available for common stock.

Although showing a small drop in net earnings for three quarters of the year which ends Aug. 31, 1938, the company has already reported net more than sufficient to cover regular $4 a share annual dividend. In the last quarter of the preceding fiscal year the company earned $1.60 a share and it is extremely unlikely that any decline in earnings that may be reported will be so great as to wipe out the profit margin in the last quarter. A final net profit down somewhat from the record high of $8.29 a share of last year but still giving a wide margin over dividend requirements would seem reasonable to expect for the current year.

Three Months Ended May 31

	1938 $	1937 $
Operating profit	1,762,424	2,214,976
Add: Other income ..	54,405	46,186
Total income	1,816,829	2,261,162
Less: Depreciation ..	185,057	167,443
Debent. int. & exp.	85,867	62,479
Bank interest	38,080	23,128
Prov. for inc. tax ..	323,722	373,428
Net profit	1,184,103	1,640,684
Less: Pref. divds.	115,204	115,204
Bal. avail. for com. ..	1,068,899	1,525,480
Earns. per com. share	$1.48	$2.10

Nine Months Ended May 31

	1938 $	1937 $
Operating profit	7,157,636	6,886,831
Add: Other income ..	259,390	241,321
Total income	7,417,026	7,128,152
Less: Depreciation ...	554,150	483,606
Debent. int., disc. & exp.	189,601	306,659
Bank interest	126,093	59,567
Prov. for inc. taxes	1,439,741	1,091,088
Net profit	5,107,441	5,187,232
Less: Pref. divds.	345,613	345,613
Bal. for common	4,761,828	4,841,619
Earns. per Com. Share	$6.58	$6.69
Shares Outstanding ..	724,004	724,004

Note:—No provision has been made for surtax on undistributed profits.

C. P. R. Plans To Buy Ships

Contemplates Purchase of Five New Ocean Liners

From Our Own Correspondent

MONTREAL.—According to an announcement made by Sir Edward Beatty in London, Canadian Pacific Steamships will order five new ocean liners within the next three years if world conditions remain favorable. The estimated cost of the proposed liners is placed at $55 millions.

Sir Edward is quoted in part as follows:

"I think next year we shall, providing world condiitons remain favorable, place orders for two new luxury liners for our Pacific service to replace the Empress of Russia and the Empress of Asia, which were built in 1913. Late in 1940 we shall probably build a sister ship to the Empress of Britain, which proved to be so suitable and so successful on the Atlantic.

"Naturally everything will depend on general economic conditions, particularly in Canada, and upon shipbuilding costs."

Hopes to Place Contract

While in England the C.P.R. president hopes to place contracts for two vessels of 25,000 tons and 23 knots for the Canadian-Australian Line service The C.P.R. has a 50% interest in this line. The Imperial and Dominions Governments are agreed in principle that the Canadian-Australasian route should be preserved for British shipping and the main difficulties in negotiations for a subsidy have been overcome.

Canada Dry Alters Plan

Change in Distributing System Expected to Reduce Costs

Canada Dry Ginger Ale Inc. has established a franchise system for local bottlers to manufacture and distribute its products.

In 1936, the company established a direct delivery system and bottling plants were purchased or constructed at a cost of about $100,000 each. At present the company has 16 bottling and distribution plants, of which four are in Canada. Plants are operating at or near capacity and the building of another plant in Boston next year is being considered.

Even with the establishment of the bottling plants the company has been forced to pay freight and transportation charges to areas which cannot be served by the direct delivery system. To eliminate these charges, which were absorbing a considerable part of the annual profit, the franchise system has been instituted. The change will not likely be of noticeable benefit until the 1939 fiscal year.

Indications are that the company will report somewhat lower earnings for the quarter ended June 30, 1938, than the $249,854 reported for the corresponding quarter last year. Profits from liquor sales dropped in the early months of this year, although they are now improving. After allowing for wage increases and higher operating costs, earnings for the nine months ended June 30 will likely be down from the $351,400 reported a year ago.

Investment Notes

Sherwin-Williams — Business to date understood to be just as good as year ago. Last year company earned 88 cents a share on common and $12.07 a share on preferred.

* * *

Consolidated Paper—Wide speculative interest continues in common stock. Position of company no better than others in business, but buying appears predicated on a turn for the better in the industry.

* * *

Imperial Tobacco — Investment buying has sent stock up to its all-time high. Very little speculative interest in this enterprise and stock bought goes off the market. Nothing official on sales or earnings, but trend of operations reported favorable.

Dosco — Still a favorite among Montreal buyers. Stock has recorded good advance from year's low point. Operations are well maintained. Larger profits for 1938, compared with 1937, will depend on last half of year.

* * *

Abitibi—Investors should not be too discouraged by the large decline in net earnings shown so far in 1938 when compared with 1937 monthly figures. Actually net earnings of $1.1 million for the first six months of 1938 are well above the $766,698 for the corresponding months of 1936, although 46.13% down from 1937. In 1936, a year of rapid recovery in newsprint operations, Abitibi earned $2.1 millions on a monthly basis and would appear to have a reasonable chance of reaching this figure in 1938.

* * *

S. E. C. report of security transactions of holdings for June says the following of Canadian interests:

Treadwell Yukon—P. R. Bradley, officer and director, held 7,000 shares in April of this year.

Dome Mines—A. D. McRae, director, held 1,000 shares in April.

Gatineau Power Co. — L. S. St. Lauren, director, held no shares in April.

International Mining Co. — F. M. Connell, director, held 3,267 shares in May, directly and through Connell Mining and Exploration had an unnamed interest in 5,967 shares.

* * *

Dominion-Scottish — In the year ending May 31, 1938, this investment trust reduced its holdings of bonds and increased both preferred and common shares. Changes in investment held resulted in percentage of Canadian securities rising to 73.31% from 65.09%, while all other geographical classifications decreased. According to nature of undertaking, the portfolio is broken down as follows:

	1938 %	1937 %
Cash	0.18	....
For govt. and munic.	0.68	0.98
Banks and financial	5.66	4.61
Public utilities	7.63	5.59
Manufacturing	17.74	19.16
Collieries and mines	*17.25	15.21
Railways and steamships ..	0.48	2.13
Engineering	4.20	5.37
Foodstuffs and beverages ..	11.11	9.40
Pulp and paper	7.32	8.83
Trading	5.24	3.83
Steel	2.00	2.18
Oil	7.85	8.30
Milling	2.29	1.51
Auto and accessories	1.43	1.64
Textile	4.19	5.85
Elec. & rail equipment	1.55	0.70
Amusements	0.50	0.47
Miscellaneous	2.70	4.24
	100.00	100.00

*Of which 6.72% is gold mining and 10.53% base metals.

Market Opinions

Little change is seen in the attitude taken by stock market commentators this week. They generally remain optimistic although placing some emphasis on importance of watching for reactions.

Barron's, New York, The Trader—"Stocks will not be liquidated in volume, which is to say, exchanged for cash, unless it is clear that cash has superior value. The bond and commodity markets have been saying that cash is lessening in value. Imperviousness of stock prices all spring to dismal news and mysterious rise of the past month both raise the question whether the underlying message of the market may not be that tangibles are of more value than cash. No other practical explanation suffices as an answer to the movements of the stock market all year."

* * *

Stock Exchange Gazette, London (July 9)—"After an 18 months' slump, in which investors as well as speculators have been severely buffeted, the attitude of caution which so obviously has restrained many from participating in the market revival is understandable. Eyed at first with suspicion, by reason of its initiation on the other side of the Atlantic, the welcome change in conditions has been reinforced by the progress now being achieved toward appeasement in Europe."

* * *

Investors' Chronicle, London (July 9)—"We must watch Wall Street with bated breath. If that market (which we will regard as a convenient mirror of U. S. business conditions) relapes into the state of coma which prevailed until the middle of June, then I admit my case falls to the ground. If the recovery continues, with the inevitable temporary setbacks, then the speculatively inclined investor must put his faith in Wall Street or in commodity shares. . . . If you doubt this, look at London stock and commodity markets on Monday. It may have been Independence Day in America, but it was Dependence Day in London, without any question."

* * *

The Annalist, New York—"Many security market observers considered it surprising that the market had not reacted before in view of the unusual rapidity of the advance. The rise in prices which set in in the middle of June has been one of the most abrupt on record and, like rapidly declining markets of last fall, has evidently reflected thinness of trading under present regulations and lack of public interest. After a sharp rise of this sort prices could easily have reacted much more sharply.

"Another favorable feature of the action of the stock market over the past week has been a tendency of volume to contract rather definitely as prices have receded. The fact that volume was lighter on the reaction than on the advance seemingly indicates that comparatively little stock has been brought in by the higher prices."

* * *

Brookmire Bulletins, New York—"With accumulating evidence of a more convincing nature that business is headed upward, the favorable background becomes more widely accepted. However, even though enlarged consumer purchasing power may soon have more tangible reflection in business activity, overenthusiastic advancing of stock prices makes a reaction overdue. Even though stocks may push to new highs, new purchases should be deferred, as a subsequent reaction would afford opportunity to buy on a more attractive basis. Keep purchasing power temporarily available."

* * *

Financial World, New York—"For the individual investor, indicated policy is the retention of the shares of companies advantageously situated to share in the cyclical gains in industrial activity which lie ahead, and which are in a position to adjust their selling prices to the upward trend in cost which undoubtedly will continue. Numerous unpromising issues have so far been carried along with the general market rise and the present appears an opportune time to transfer out of situations whose prospects are less than average, replacing them with shares possessing a more encouraging outlook. Any technical reaction from current price levels may be welcomed as another buying opportunity."

Abitibi Curtails Drop in Earnings

June Shows Smallest Decline This Year With 16%

Abitibi Power & Paper Co. earnings in June amounted to $331,067, a decrease of 16.01% from June of last year. This is the smallest decrease in earnings, as reported by G. T. Clarkson, receiver and manager, that Abitibi has been able to achieve this year.

For the first half of 1938, total earnings, before depreciation and bond interest, amounted to $1.1 million. This is a decrease of $967,841, or 46.13%, from the corresponding period of 1937.

Newsprint shipments in June this year amounted to 27,493 tons, against 25,412 tons in May and 39,671 tons in June, 1937. Indications are that July shipments will be around 21,000 tons, or just about half the 42,532 tons shipped in July, 1937.

Bleached sulphite pulp shipments in June amounted to 2,142 tons, against 3,000 tons in May this year and 5,564 tons in June, 1937. Present indications are that July shipments will be about 2,300 tons.

Comparative figures for earnings follow:

Monthly Earnings

	1938 $	1937 $	Decr. %
June	331,067	394,169	16.01
6 Months ..	1,130,210	1,703,882	46.13

Burst of Purchasing Is Seen for West

(Continued from page 1)

wire repairs will see them through. A very great deal of new machinery will have to be purchased before the harvest commences; a great deal more later on out of the proceeds of the harvest.

Will Need Trucks

Much of the wheat grown in the Prairie Provinces is now moved from farm to country elevator by motor truck. But most of the trucks are old. In recent years, of course, there has not been much grain to move and as markets were fairly steady there was no fever about early selling. In consequence, temporary breakdowns in old trucks were unimportant. Moreover, if one's own vehicle was out of commission, then a neighbor, who had a truck but no crop, could be hired to do the job at a ridiculously low figure. But conditions are certain to be vastly different this fall. Truck dealers see big business ahead.

And the picture is duplicated again and again in every line of goods bought by the western farmer and his wife. There are sorely needed paint, fencing, lumber, barn equipment, pumps, pipe, windmills, new barns, houses, new and used cars. A good crop should instantly tap this field.

No Reckless Spending

Fears have been expressed that once the wheat farmer is in funds he will spend his money recklessly, his creditors getting little benefit. Undoubtedly there will be some of this sort of thing. There is an excuse for a celebration after a 10-year siege.

But no serious observer is expecting any spending splurge, but rather an orderly replenishing of badly needed goods and equipment. In the last 10 years the average western farmer has learned too much about economy to toss the whole thing over with a single good crop, even if prices of that crop are a good deal higher than promised at present.

Debt Settlement

Moreover, in spite of various and overlapping debt reduction legislation, there is prospect of reasonable settlement throughout much of the wheat belt.. In Alberta, of course, there is uncertainty, which is bound to continue as long as Social Credit. In the other two provinces debt settlement progress has been made. Throughout most of southern Saskatchewan there has been a blanket settlement, under which the farmer-debtor agrees to turn over one third of his crop. Under this proceeds from one third of the crop are to be turned over to the big lending companies to apply against current indebtedness. If such proceeds are greater than this indebtedness, balance will be applied toward reducing principal or will be returned to the farmer.

Somewhat similar individual settlements have been made in other parts of Saskatchewan and Manitoba. Whether such schemes will prove permanently successful, depends upon two things—the price and yield of wheat—not this year alone, but for a sufficient number of years, finally to retire interest and principal.

Almost regardless of price there are several important industries which are certain to receive huge impetus from a big wheat crop this year. There are the railways, the elevator and grain companies, the flour millers and the packers.

On an average it costs 12½ cents to move a bushel of wheat from the prairie country elevator to the Head of the Lakes, or Vancouver. A 350 million bushel crop would, therefore, mean something close to $45 millions in freight charges outward, and as much more again, it is estimated, on manufactured and other goods bought by Prairie farmers, if fair wheat prices are received.

As the wheat must be bought, sold and stored, substantial charges are assured for the grain trade. Incidentally, in the former drought country of the south, this will be the first time in perhaps six years that some country elevators will be operating. In much of this area today crops up to 50 bushels per acre will be assured with present favorable weather for another fortnight.

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Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 9	Total utilities 19	Total co's 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
Weekly Figures, 1938:												
June 2 ..	104.0	14.2	81.1	173.3	52.4	151.2	106.9	118.1	59.2	80.7	43.4	96.1
June 9 ..	104.6	14.6	82.1	169.5	52.3	152.1	107.4	119.5	59.4	80.2	43.7	95.9
June 16 ..	104.7	14.2	82.5	163.3	53.0	153.4	106.7	119.3	59.4	80.3	43.7	95.1
June 23 ..	106.8	16.7	87.0	170.0	55.5	157.2	107.6	126.1	60.9	80.4	44.8	99.3
June 30 ..	117.3	20.5	88.1	174.8	56.9	160.8	111.9	135.1	63.1	83.5	46.4	103.4
July 7 ...	122.7	23.4	88.9	177.4	59.0	164.5	114.4	141.2	66.7	85.0	48.9	106.8
July 14 ...	123.3	22.7	88.4	178.4	58.9	168.2	115.8	139.1	66.0	85.4	48.2	106.0

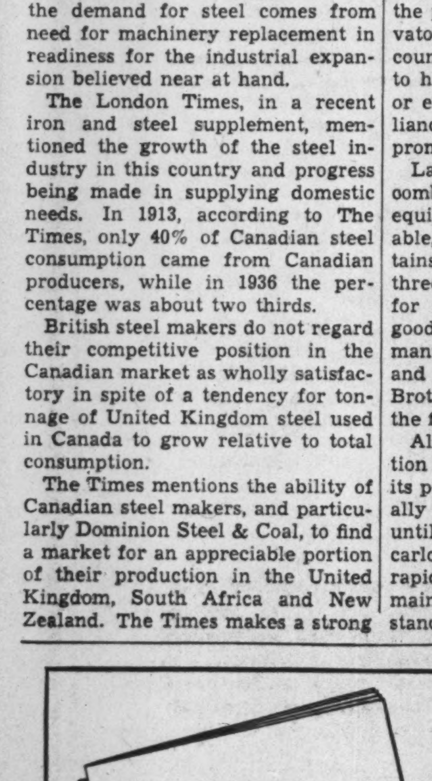
*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
July 19	124.85	119.46	94.91	36.40
July 18	122.65	119.45	93.91	35.78
July 16	123.10	119.53	91.44	35.86
July 15	122.04	119.30	91.44	35.86
July 14	121.97	118.67	89.83	36.06
July 13	123.18	119.55	90.23	36.72
Month ago	106.89	121.79	77.64	31.99
Year ago	165.65	122.85	105.78	63.00
High, 1938	126.85	125.85	91.46	50.85
Low, 1938	97.66	102.06	64.47	31.40

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	18 Golds
July 19	66.8	86.0	79.6	120.64
July 18	65.2	84.7	78.2	120.81
July 16	65.6	84.4	78.1	120.85
July 15	65.9	83.5	77.6	120.80
July 14	67.1	82.3	77.2	121.27
July 13	67.8	81.8	77.1	121.62
Month ago	64.5	73.7	70.3	121.68
Year ago	80.6	108.0	98.9	111.59
High, 1938	69.3	86.0	79.6	130.77
Low, 1938	59.1	61.1	60.5	103.06



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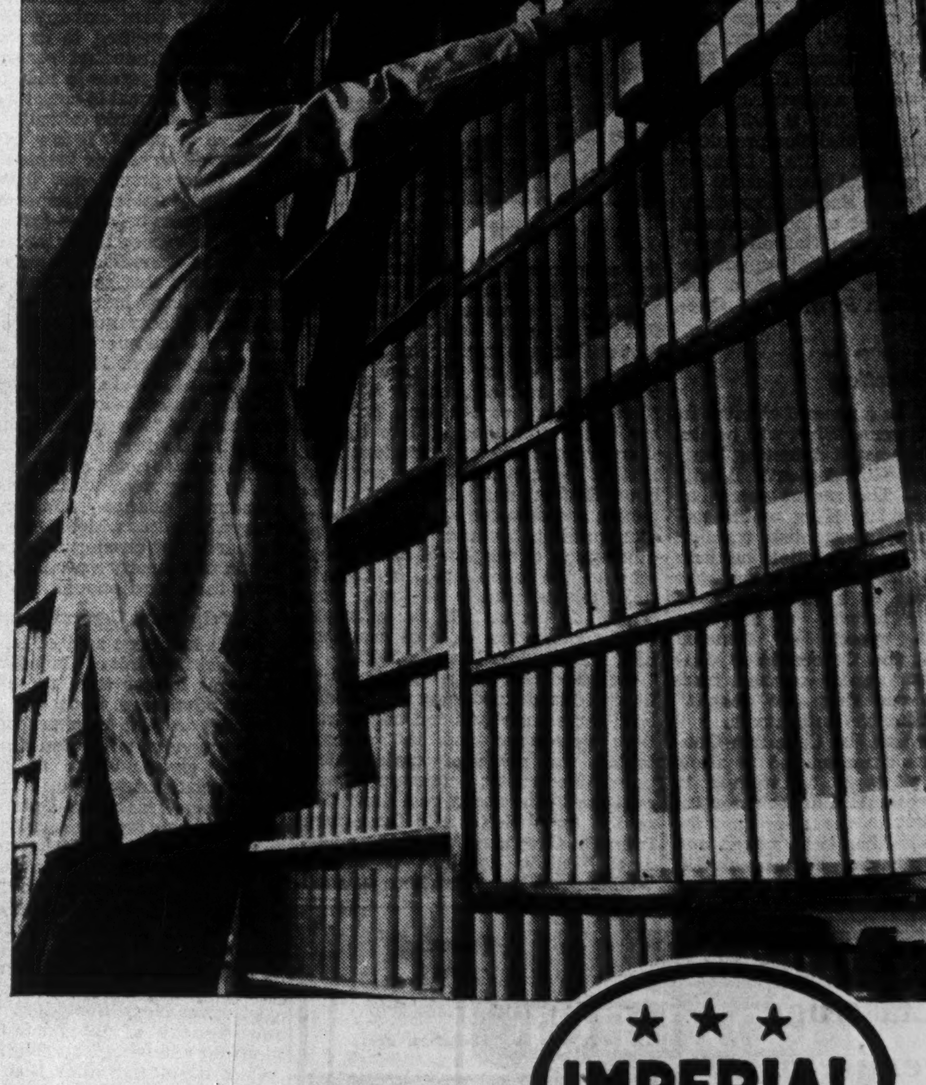

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Bond Markets

New Bond Flotations Give Fillip to Market

Ample Supply of Funds Ready For Ontario Hydro, Hamilton Cotton and McColl Frontenac Issues

With revival of stock markets, corporation and utilities financing appears to be taking on belated activity. Following a prolonged period of extreme dullness, such activity, even though temporary, should find ample funds ready for investment in sound corporation and utilities issues.

Abnormally low money rates, the primary cause of high bond prices, are not likely to undergo any radical revision in the near future and continuation of present firmness is generally expected. The current group of offerings is not likely to exhaust the prevailing demand, particularly from institutions.

Certain of an excellent reception is the $12.5 millions issue of Ontario Hydro-Electric Power Commission. Hamilton Cotton's $850,000 of 4½% sinking fund bonds, as well as the McColl-Frontenac issue, another refunding flotation, should be greeted favorably.

Largest of the year's utility financing was the refunding operation of Gatineau Power Co., with $3 millions of serial bonds and $10 millions sinking fund bonds. The company will likely undertake another similar refunding operation in the next few months. At the end of last year Gatineau had outstanding $68.4 millions of first mortgage bonds.

Another substantial flotation that absorbed some surplus funds was the $5 millions refunding issue of Ottawa Light.

Municipal Bonds

Buyers of municipal bonds are always looking for some ready tests that can be applied in making selections. The depression has emphasized how many mistakes can be made by investors. How to guard against this happening again is one of the greatest concerns of the conservative investor.

Morris S. Tremaine, comptroller of New York State, has prepared for Barron's a set of 10 rules that can be applied as well in this country as in any other. A summary of these rules follows:

1. Look for a sense of moral responsibility on the part of the average population. It is discernible in the record of past payment, especially when difficulties have arisen.

2. Check the ability to pay. It is measured by the ability to produce, by the savings accounts of the residents, and the long-term success of the city's industries.

3. Look for a stabilizing force. In buying a city bond try to determine whether it is in a strategic position, its necessity for geographical or natural resource purposes. In buying a town bond, look for a community with a good agricultural area nearby. Thrifty farmers are good insurance against unwieldy debt.

4. Seek seasoned communities. Age indicates stability and for the most part older communities have been taught by experience to be conservative.

Overlapping Debt

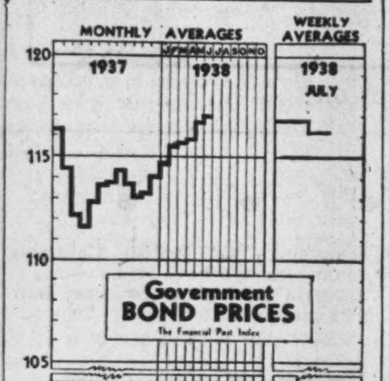
5. Watch out for communities with heavy overlapping debt. If a community is growing, overlapping debt *may not* be burdensome. On the other hand, what might be a light burden for one might be unduly heavy for another.

6. If the city has a good debt record, don't put too much weight in the fact that the debt limit is neared. It is better to buy improving property than that which is stationary or likely to decline in value.

7. Don't forget the insurance value of excess yield.

8. Invest for a steady income, not for price appreciation. If you prefer capital gains to steady annual return buy other securities than municipals.

9. Watch the time element. There is a time to buy and a time to sell. Don't buy the bonds that everyone else wants; heavy demand for a bond often results in a premium out of proportion to value.



10. Buy value, not fashion or price.

N. B. Loan Cost

New Brunswick secured its recent $4 millions loan at an average net cost of 3.957%. This is a lower cost than obtained on its two previous issues.

Under option to a syndicate headed by Dominion Securities Corp. and Bell, Gouinlock & Co., the entire $4 millions issue was taken up. It was oversubscribed by dealers within a short time of the opening of the books. Good reception for the issue is reported.

Of the total issue, $1 million was allotted to 3% three-year bonds and $3 millions to 3½% eight-year bonds. Cost of the 3% bonds to the province is 3.53%, compared with a yield of 3% on the basis of the offering price. The 3½% bonds were offered to yield 3.75% whereas the cost to the province is 4.01%.

Treasury Bills

Indicative of the decreasing yield of short-term loans is the record of Dominion treasury bills since the first issue of $1.6 million on April 17, 1934. That issue cost the treasury 2.41%; in contrast is the record low reached June 15, 1938, of 0.465% on $25 millions of treasury bills.

Subsequently a slightly higher yield has been shown by two issues dated June 30 and July 15, sold on an average cost basis of 0.479% and 0.489%, respectively.

On Nov. 15, 1937 an issue was sold at a cost of 0.816%, the highest since that of June 15, 1936. Following that is a list of issues sold by the Dominion Treasury illustrating the steady decline. There are at present $160 millions of treasury bills outstanding.

Dominion Three-Month Treasury Bills

Dated	Yield %
Nov. 1, 1937	0.781
Nov. 15	0.816
Dec. 1	0.785
Dec. 15	0.761
Dec. 31	0.744
Jan. 14, 1938	0.726
Feb. 1	0.700
Feb. 15	0.648
Mar. 1	0.584
Mar. 15	0.524
Apr. 1	0.510
Apr. 14	0.503
Apr. 30	0.490
May 16	0.471
June 1	0.466
June 15	0.465
June 30	0.479
July 15	0.489

Bond Index

Government bond averages were lower on markets during the week. Eastern provincial issues followed the generally lower trend, and British Columbia and Manitoba obligations displayed little activity or change. Saskatchewan bonds were easier and Alberta issues rose slightly.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
July 19	115.89	2.917	July 19	113.76	3.277
July 18	115.82	2.929	July 17	113.76	3.277
July 16	116.14	2.894	July 16	113.69	3.286
July 15	115.46	2.923	July 15	113.69	3.286
July 14	115.61	2.907	July 14	113.70	3.287
July 13	116.52	2.853	July 13	113.70	3.287
Year's	117.21	2.806	Year's	116.81	3.026
Range	114.21	3.147	Range	111.60	3.505

Bond Sales

Dominion Treasury Bills

Issue of $30 millions of Dominion of Canada treasury bills, dated July 15, 1938, and maturing Oct. 14, 1938, has been sold at an average price of 99.87826, for an average cost of 0.489%. Previous yield on the issue dated June 30 was 0.479%. The issue of Apr. 14, which matured on July 15, was sold for 99.87329 at an average cost of 0.503. Total amount of treasury bills remains unchanged at $160 millions. An all time low rate of 0.465% was reached with the sale of bills on June 15.

Public Utility Earnings

Southern Canada Power

June	1938 $	1937 $
Gross income	190,264	193,674
Oper. expenses	81,954	77,052
Net earnings	108,310	116,622
Interest, deprec., etc.	108,164	108,869
Surplus	146	7,735
Nine Months Ended June		
Gross income	1,767,633	1,721,829
Oper. expenses	737,837	713,883
Net earnings	1,029,796	1,007,946
Interest, deprec., etc.	986,380	983,655
Surplus	43,416	24,291

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Newfoundland Deficit Larger

Budgets for Lower Revenue and Increase in Expenses

NO TAX CHANGES

In common with the rest of the world, Newfoundland is suffering a recession in business. As a result, the Commission Government does not expect fiscal results for the current year to be as favorable as in the year ended June 30 last.

Hon. J. H. Penson, commissioner of finance, in his budget speech, estimated 1938-39 deficit would amount to $3,949,000. In 1937-38, the deficit totalled $1,318,000. The deficit will be met by a grant-in-aid from the United Kingdom.

The higher deficit this year will arise from two factors, a decline in revenue and an increase in expenditures. Revenue for the year is estimated at $11,402,000, a decrease of $872,000. The main decline in revenue is expected to be in customs duties, the estimate for which is $650,000 lower than receipts in 1937--38.

Expenditures Higher

The expenditure budget is $1,759,000 higher than in any previous year, amounting to $15,352,000. In addition, $60,800 will be borrowed from the Colonial Development Fund. This is substantially less than the $561,000 borrowed in 1937-38, but is in keeping with commission's policy of keeping loans at a minimum. As far as possible reconstruction expenditures are being included in the ordinary budget and met through grants-in-aid.

Included in the current year's budget is an expenditure of $1,406,500 on the long-term reconstruction programme announced last year. Of this total, $339,000 is to be spent by the Department of Natural Resources, $241,000 by the Department of Agriculture and Rural Reconstruction, $653,000 by the Department of Public Works, $119,000 by the Department of Health and Welfare, and $18,000 for housing grants.

Revenues Reach Peak

In the year ended June 30 last, revenues totalled $12,275,000, an increase of $1¼ million over the previous year. This is the highest revenue in the history of the island. The nearest approach was 1929-30 when $11,430,000 was collected.

Ordinary expenditures in 1937-38 totalled $13,593,000, leaving a deficit of $1,318,000 to be met by a grant-in-aid from the United Kingdom. The actual deficit in 1936-37 was $1,162,000. Thus, there was a higher deficit despite the increase in revenues.

Hon. J. H. Penson announced no increase in taxation is proposed at present. Furthermore, the budget contained no tariff changes. The Government had hoped to make some minor tariff changes, but action was deferred pending the outcome of the Anglo-American trade treaty negotiations.

Emphasizing that prosperity of the fisheries is of first importance to Newfoundland, Mr. Penson pointed out additional aid is being given this industry in the current year. The salt subsidy has been increased from $1 a hogshead to $1.50. The bounty on fishing vessels built in Newfoundland is being reinstated. The sum of $27,000 is to be spent on an experimental scheme on reduction and utilization of dogfish and an additional $47,000 is to be spent on bait depots. Provision is made in the budget to spend $200,000 on a fresh fish plant on the south coast if agreement is finally reached with General Seafoods Corp.

An additional $300,000 has been reserved to assist the fishing industry, but no decision has been made as yet as to how this sum is to be spent.

Newfoundland plans to spend over $1 million on roads in 1938-39. At first the Government contemplated an expenditure of only $680,000, but it was decided to increase this as an unemployment aid.

Stock Is Cancelled By Hydro Securities

MONTREAL.—Supplementary letters patent have been issued to Hydro-Electric Securities Corp., authorizing cancellation of class A preferred stock, none of which has been issued; and 332,639 redeemed shares of class B preferred stock.

In future, the authorized capital of the company will consist of 673,561 shares of class B preferred stock and two million common shares of no par value common stock. At the end of 1937 there were outstanding 673,561 class B shares and 1,476,393 common shares.

Willson Stationers Shows Lower Net

Wilson Stationers & Envelopes, Winnipeg, reports a slight drop in gross manufacturing and trading profits in the year ended April 30, 1938. Net profits of $5.93 a share on the preference stock, however, were sufficient to cover the dividend requirements of $5 a share. Regular payments of $1.25 a share quarterly have been made on this stock since the initial payment was made on April 15, 1936.

Consol. Income and Surplus Account
Years Ended Apr. 30

	1938 $	1937 $
Gross profits	367,658	372,686
Less: Depreciation	13,800	15,342
Wages and salaries	200,483	194,074
Rents	51,369	50,135
Taxes	6,550	6,431
Interest & disc.	4,482	3,819
Group insur.	580	......
Bad debts	4,646	1,666
Other expenses	92,094	87,240
Operating income	*6,344	13,978
Add: Inc. from invest.	7,204	7,235
Miscellaneous	7,771	8,104
Rents from assoc. cos.	20,640	19,800
Less: Income taxes	5,564	9,664
Profit on plant disposal	5	145
Net profit	23,712	39,598
Less: Preference divds.	20,000	20,000
Surplus for year	3,712	19,598
Add: Prev. surplus	36,600	17,002
Surplus forward	40,312	36,600

*Loss.

Note: Legal fees were $40 in 1938, $115 in 1937; remuneration to executive officers and salaried directors, $44,409 in 1938, $42,243 in 1937.

Earned Per Share:		
Preference: Earned	$5.93	$9.90
Paid	5.00	5.00
Common: Earned	0.07	0.39
No dividends paid.		
Shares Outstanding:		
Preference, $100 par	4,000	4,000
Common, n.p.v.	50,000	50,000

Working Capital

	1938 $	1937 $
Current assets	530,352	525,587
Current liabilities	52,230	54,542
Working capital	478,122	471,045

VICE-PRESIDENT

E. J. Cosford has been elected vice-president of Mack Trucks of Canada Ltd., in charge of Canadian operations. Born in Canada, Mr. Cosford was employed in the sales department of Reo and Studebaker, and in 1929 was appointed manager of the Toronto office of Industrial Acceptance Corp. He became president of the Associated Equipment Co. in 1930 and joined the Mack organization in 1936.

Textile Firm Issues Bonds

A. E. Ames Offers $850,000 of Hamilton Cotton Securities

An issue of $850,000 4¼% first mortgage and collateral trust sinking fund gold bonds of Hamilton Cotton Co. is being offered by A. E. Ames & Co. at $100. Issue of $300,000 3% serial bonds, maturing Aug. 1, 1939-1943, has been sold.

Funded debt will be increased to $1,150,000 from $798,000, and interest charges on the new funded debt will be $45,125. Deduction for bond interest for the year ended Dec. 24, 1937, was $39,725. Average times that interest requirements have been earned during the last 10 fiscal years was 2.57 times on the basis of the new funded debt.

Net Earnings

Net earnings for the 24 weeks ended June 11, 1937, amounted to $49,731, which is equal to 2.38 times new bond interest requirements. In 1937 net earnings available for bond interest totalled $155,317. Average net earnings over the last 10 fiscal years and 24 weeks period amounted to $116,117.

At June 11, 1938, after giving effect to redemption of 5½% sinking fund bonds, $85,000 of secured notes of Trent Cotton and the issue of $1,150,000 first mortgage and collateral trust bonds, assets of Hamilton Cotton and subsidiary totalled $2,904,674. At Dec. 24, 1937, total assets amounted to $2,641,054. Working capital at June 11, 1938, totalled $702,871, as compared with $761,734 at the end of the previous year. In addition there was cash of $288,971 to be expended on plant and equipment, etc., at June 11, not included in working capital.

Hamilton Cotton Co.

$300,000 3% serial bonds, due Aug. 1, 1939-1943.

$850,000 4¼% sinking fund bonds, due Aug. 1, 1950.

Company—With subsidiary is engaged in spinning of cotton yarns, elastic and non-elastic webbings, cotton cordage, dyeing, bleaching, etc. Plants at Hamilton and Trenton, Ont.

Capitalization —	Author.	To be outstand.
1st mtge. & coll. tr.	2,000,000	
3% serial bonds		300,000
4¼ s. f. bonds		850,000
$2 pref. stock, $30 par	600,000	554,550
Common, $30 par	600,000	300,000

Purpose of Issue—To redeem $713,000 of 5½% first mortgage bonds series A of Hamilton Cotton at 103 and interest on Sept. 19; and $85,000 of secured notes of Trent Cotton Co., a subsidiary, at 100 and interest on Aug. 18. Improvements to plant and equipment of company and subsidiary.

Security—Secured by first mortgage on all fixed assets of company and all outstanding shares of company's subsidiary, and by floating charge on the undertaking and all other property and assets present and future.

Special Provision—No shares may be redeemed or purchased which would reduce net current assets of company and wholly owned subsidiary below $600,000.

Additional Issue—Additional bonds to principal amount of $850,000 may be issued to 66 2/3 of cost or depreciated replacement value of additional fixed properties.

Trustee—National Trust Co., Toronto.

Payable — In Canadian funds (except Yukon Territory) Feb. 1 and Aug. 1.

Callable—Serial bonds redeemable at company's option with 30 days notice at 101 and accrued interest. Sinking fund bonds redeemable at company's option with 30 days' notice by lot, at 102 and accrued interest to Aug. 1, 1943; at 102½ and accrued interest to Aug. 1, 1946; at 101 and accrued interest to Aug. 1, 1948; at 100½ and accrued interest to Aug. 1, 1949, and at 100 and accrued interest to maturity.

Chemical Research Patent Suit Adjourned for Month

The patent suit filed by Gyro Process Co. in which Chemical Research Corp. holds a 60% interest, has been adjourned for about a month. Hearings on this suit started on June 2 in Detroit and have been proceeding since before Judge Arthur Webster.

Gyro Process Co. is seeking the return of patents controlling certain phases of petroleum refining. Defendants in the suit are Chemical Research Corp., Pure Oil Co., Alco Products Co., Texas Co. and Texas Corp. Chemical Research has admitted the allegations of the plaintiff and filed a cross bill seeking relief from the other defendants.

The patents are now in the name of Pure Oil Co. and cover what is known as the Polymerization process and the Clay treatment process. In evidence brought out at the hearing, A. J. Groesbeck, attorney for Chemical Research and a director, estimated the value of the two patents on the open market at $5 millions.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Dom. Tel. Secs.	*5½%	1978	Aug. 2	100
Gatineau Pr.	6%	1941	July 29	101
Do., (B)	6%	1941	July 29	101
Eastern Car	*6%	1952	July 30	...
Steel of Can.	‡6%	1940	Aug. 1	...
B. A. Oil	▲4%	1945	Sept. 1	101½
St. John's, Nfld.	§6%	1947	Aug. 1	100

For sinking fund purposes: *$3,100. ▲$222,500. §$86,000.
Tenders called for: *$41,272. §$443,187.

Hydro Load Shows Drop

Industrial Curtailment Effects Felt in Niagara System

Curtailment of activity in the most highly industrialized section of Ontario is reflected in the summary of power loads of the Hydro-Electric Power Commission of Ontario for June. While domestic consumption in the Niagara system has shown an increase, it has been more than offset by a decline in industrial consumption.

June figures for maximum 20-minute peak horsepower in all of the five systems, both primary and secondary loads, decreased 1.3% in comparison with the same month in 1937. Primary load decreased 1.4%.

In the Niagara system, accounting for the greatest portion of the power consumed in the province, decline of primary load was 4.1% in June. Primary and secondary load declined 3.8%. Abrasive and chemical companies in the Niagara system took less power in the month of June, while paper mills continued on full-time operations.

The eastern Ontario and Georgian Bay systems and northern Ontario properties showed increases over the previous year's figures, but both the Niagara and Thunder Bay systems decreased.

Detailed figures are as follows:

(Maximum 20-Minute Peak Horsepower)

System:	June, 1938	June, 1937	% Incr.
Primary Load:			
Niagara	960,456	1,002,011	—4.1
Eastern Ont.	120,623	115,912	+4.1
Georgian Bay	30,550	28,070	+8.8
Thunder Bay	77,064	82,031	—6.1
Northern Ont.	131,435	110,909	+18.5
Total	1,320,128	1,338,933	—1.4
Primary and Secondary Loads:			
Niagara	1,121,984	1,166,890	—3.8
Eastern Ont.	151,736	126,039	+20.4
Georgian Bay	30,550	28,070	+8.8
Thunder Bay	121,059	125,416	—3.5
Northern Ont.	167,494	167,209	+0.2
Total	1,592,823	1,613,624	—1.3

Massey Shares Issued

An additional 692 common shares of Massey-Harris Co. have been issued. This is part of the 50,000 common shares to be allotted and sold to officers and employees of the company. Issued common stock of the company is now 736,703 shares.

Deficit Is Shown By B·C. Centres

Excluding Vancouver, Municipalities Almost Balance Budgets

From Our Own Correspondent

VANCOUVER.—Apart from Vancouver, the municipalities of British Columbia almost balanced their joint budget last year.

A report issued by the Provincial Government, which excludes Vancouver accounts, shows that the province's municipalities took in $22,12,321 and spent $22,829,870 in 1937—a deficit of $117,549, compared with a surplus of $10,555 in the previous year of 1936.

Other features of the municipal financial structure, however, show distinct improvement. For instance, during 1937 the municipalities managed to reduce their debts by $776,000 to a net debt of $101,918,273. The gross debt was reduced from $135,624,832 to $132,041,301, but sinking funds were cut from $32,864,156 to $30,123,028. Arrears of taxes declined from $9,623,000 to $8,845,690.

Improvement in municipal tax collections was significant. These rose from 79.9% to 85.7% of the total amount levied.

Reverted property increased from $13,436,112 to $14,715,395.

Municipal public utilities, as usual, showed substantial profit. On an investment of $16,139,596 the profits were $494,517.

Bond Tenders

4 p.m., Aug. 1, Sorel, P.Q.—$46,400, 4%, redeemable serially to May 1, 1943; $36,000, 4% redeemable serially to June 1, 1943. Jean L. Poirier, clerk.

2 p.m., July 29, Sherbrooke R. C. Sch. Com.—$50,000, 3½%, dated May 1, 1938, redeemable serially from May 1, 1939 to May 1, 1953. G. E. Begin, sec.-treas.

Montreal Tramways Co. Revenues Show Decline

From Our Own Correspondent

MONTREAL.—The number of revenue passengers carried by Montreal Tramway Co. in the second quarter of the current year declined 1,020,841, or 1.93%, below the same period last year. This is a reversal of trend, an increase of 2,791,864 passengers, or 5.31%, being reported for the first quarter of the year.

For the first six months of the year the increase amounts to 1,771,023 passengers, or 1.68%.

BEFORE YOU INSURE — CONSULT
CONFEDERATION LIFE
ASSOCIATION
HEAD OFFICE TORONTO

Quebec Municipalities Plan to Adjust Debts

From Our Own Correspondent

MONTREAL.—The Quebec Municipal Commission has prepared refinancing plans for several defaulted municipalities. These are to be submitted to creditors for approval.

Meetings of creditors of the following municipal units are to be held on August 18: Village of Laterriere, Village of Riviere Du Moulin, Parish of St. Honore and School Commission of St. Honore.

We recommend the purchase of the following Municipal Bonds which will shortly be out of default.

NEW TORONTO
MIMICO
FORT ERIE
THOROLD
WESTON
YORK
EAST YORK
SCARBORO
ESSEX BORDER UTILITIES
WINDSOR, ESSEX & LAKE SHORE RY.

DRAPER DOBIE & CO.
330 Bay St. AD. 9171 TORONTO

New Issue

$12,500,000

McColl-Frontenac Oil Company Limited

First Mortgage and Collateral Trust Bonds Series "A"

$ 2,400,000 Serial 3% and 3½% Bonds
10,100,000 Eleven Year 4¼% Bonds

To be dated October 1st, 1938 To mature October 1st, 1939-46 and 1949

Principal and half-yearly interest (April 1st and October 1st) payable in lawful money of Canada, at the holder's option, at any branch of the Company's bankers in Canada. Coupon Bonds, registerable as to principal only, in the denominations of $500 and $1,000 and authorized multiples of $1,000. Redeemable in whole or in part at the option of the Company at any time prior to maturity on sixty days' notice at 101 for the 3% and 3½% Bonds; the 4¼% Bonds to be redeemable at 103 if redeemed prior to October 1st, 1942; at 102 if redeemed on or after October 1st, 1942 and prior to October 1st, 1946; at 101 if redeemed on or after October 1st, 1946 and prior to maturity; in each case with accrued interest to date of redemption. The Company will reserve the right to purchase in the market or by private contract Bonds of any maturity and to sell or otherwise dispose of the same at any time thereafter prior to maturity. Commencing October 1st, 1947, there will be provided for the Eleven Year 4¼% Bonds an annual Sinking Fund amounting to $300,000 per annum payable in whole or part by the delivery by the Company to the Trustee of Eleven Year 4¼% Bonds, which Bonds are to be taken at their principal amount.

Trustee: Montreal Trust Company, Toronto

In the opinion of Counsel, these Bonds will be a legal investment for funds of Insurance Companies registered under the Canadian and British Insurance Companies Act, 1932, as amended.

Schedule of Maturities

Due October 1st	Coupon	Amount	Due October 1st	Coupon	Amount
1939	3%	$300,000	1943	3½%	$300,000
1940	3%	300,000	1944	3½%	300,000
1941	3%	300,000	1945	3½%	300,000
1942	3%	300,000	1946	3½%	300,000

$10,100,000 Eleven Year 4¼% Bonds due October 1st, 1949

We offer the Eleven Year 4¼% Bonds, subject to prior disposal or change in price, if, as and when issued and accepted by us, and subject to the approval of our Counsel, Messrs. Brown, Montgomery and McMichael, Montreal; and of C. H. Beresford Hands, Esq., and Messrs. Magee, Nicholson and O'Donnell, Montreal, Counsel for the Company, in respect of all legal details in connection with the creation and issue of said Bonds and the validity and security of the Trust Deeds securing the same. The opinions of such Counsel, in respect of the Company's titles to assets and properties situated elsewhere than in the Province of Quebec, will be based upon the opinions of lawyers practising in the Provinces in which such assets and properties are respectively situated.

Price: 100 and accrued interest, to yield 4.25%

It is expected that non-interest-bearing Trustee's Deposit Receipts covering exchanges, and interest-bearing Trustee's Interim Receipts covering cash purchases, will be available for delivery on or about August 1st, 1938.

Outstanding bonds of McColl-Frontenac Oil Company Limited with all unmatured coupons attached may be tendered in payment. The price to be paid (in Canadian funds) for the 6% bonds is $107½ flat. This price includes principal, premium on redemption, interest to October 1st, 1938, and premium on sterling exchange, and is subject to change with fluctuations in exchange rates.

A Prospectus, a copy of which has been filed under the provisions of the Companies Act, 1934, as amended, will be promptly furnished on request.

Wood, Gundy & Company, Limited
McLeod, Young, Weir & Company, Limited
Dominion Securities Corporation, Limited
A. E. Ames & Company, Limited
W. C. Pitfield & Company, Limited
Savard, Hodgson & Co. Inc.
Greenshields & Co. Inc.
Collier, Norris & Henderson, Limited

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TORONTO, JULY 23, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Books That Don't Balance

ONE of the most informative publications published by any government organization in Canada is the monthly statistical summary of the Bank of Canada. Suffering from none of the usual inhibitions of a civil service publication, it appears each month with newsworthy charts and tabulations that tell their story in a way that the intelligent business and financial men can understand.

The current issue devotes two pages to Federal Government finances. It uses red ink to show disbursements of the Dominion Government and to show any increases in assets or debt that have occurred. To hold the page at arm's length, gives an illuminating visual picture of the way the government has been "going into the red" in the past six years.

Looking more closely at the figures, but ignoring intermediate debits and credits, one notes some striking facts.

Five years ago the ordinary revenue of the Dominion Government was $305 millions. By 1938 it had soared to an all-time peak of $510 millions.

Almost all this money was collected in the form of taxes. It represented the heaviest tax burden this country has ever borne in any year since Confederation.

Despite this increase, the debt of the Government in 1938 continued to soar. It rose $58.5 millions. Not even the extraction of half a billion dollars from the taxpayers' pockets was sufficient to prevent the Government passing on part of the burden to posterity.

The record of the five years together is even more startling.

Since 1933 the Dominion Government has collected by way of ordinary revenues a grand total of $2,310 billions. Most of this, of course, has come directly from the taxpayer's pocket.

But even that fell far short of meeting the expenses of running this country. In the same period our debt rose just $901 millions.

Bread and Champagne

THE increase in the rate of wages in heavy industries in Russia from 78 to 115 roubles a month will no doubt be heralded by enthusiastic friends of the Soviet Union as a great triumph for Collectivism. As a matter of fact, they could quote better figures, for the average salary and wage in Russia is about 53 roubles a week before trade union dues, loan subscriptions, taxes, etc. But whether 115 roubles a month or 53 roubles a week, these wages ought to be measured in terms of purchasing power. A rough and ready guide can be found in these retail price figures:

	Canadian Equivalent	Price in roubles
Rye bread	Loaf	.40
Wheat bread	Loaf	.80
Sugar	Pound	1.8
Beefsteak	Pound	5.5
Man's suit (wool) ..		450.
(cotton) ..		275.
Man's shoes (leather)		160.
Woman's shoes "		162.

The Communist who can make those figures spell anything but inadequate diet and a low standard of living is remarkably expert in distortion.

Some facts on Russia supplied by a pro-Soviet writer to "Pacific Affairs" do not present the Soviet Union as any paradise. This writer seeks to prove that Russia is making greater progress than Britain, India or Poland, which he selects for purposes of comparison.

Let us use his own technique of measuring a country's standard of living and apply it in a comparison of Canada and Russia.

He selects four staple items of consumption goods as an index of a country's standard of life. Here are his figures (changed from kilograms to pounds) with Canada's added for comparison.

Russia consumes 39.6 lb. of sugar per capita yearly. Canada consumes 99 lb.

Russia consumes 57 lb. of salt per capita yearly. Canada consumes 90 lb.

Russia consumes 193 kw.h. of electricity yearly. Canada consumes 2,000.

Russia consumes 24.5 yards of cotton fabrics yearly. Canada consumes 29 yards.

What about the "intangibles"? Russia is proud of her advance in education.

There are 177 students in Russian schools per 1,000 of population. In Canada the figure is 221.

In Russia there are 3.1 students in colleges and universities per 1,000 of population. In Canada there are 8.5.

The Russian propagandist makes much of the fact that for every rouble it spends on armaments Russia spends .91 roubles on education. But for every dollar Canada spends on armaments it spends over $3.50 in education.

Russia has three hospital beds for each 1,000 of population. Canada has six.

Russia has one doctor per 2,000 of population. Canada has one per 1,000.

Stalin's Socialist state has a long way to go before it will catch up with Canada as a country fit to live in. But there is hope. The "Plan" calls for production in 1938 of 82 million flasks of perfume, 34 million kilograms of perfumed soap and a million bottles of champagne.

Penal Reform

OTTAWA'S quick action in abolishing the post of Superintendent of Penitentiaries shows that democracy can act quickly if necessary; that much of the routine and red tape usually given as an excuse for inaction can be cut away if the need arises.

But the virtual dismissal of General D. M. Ormond is of very much wider significance.

It means that Canada is at last starting to rebuild its penal system.

One does not have to agree with everything in the Royal Commission report on Canada's prisons to realize that this country is still a generation behind in its treatment of criminal offenders.

It was in 1896 that a somewhat similar document to the Canadian report was published in England by the Gladstone Commission. At that time its recommendations were so revolutionary that 12 years had to elapse before any legislative action was taken to implement them.

Today the British system is the model for the whole world.

There are several grave weaknesses in the Canadian system as disclosed in the Archambault report. One of these is personnel; another is jurisdiction.

There can be no fundamental improvement in the Canadian method of handling criminal offenders until the "custodian" type of mind is replaced by staffs of men and women who by temperament and training are fitted to reform and rehabilitate those prisoners capable of being made good citizens.

Another problem is the present distinction between provincial and federal jurisdiction.

The present arbitrary plan of putting under federal control all those sentenced to serve two years or more, defeats at the start any scientific attempts at segregation which have as their purpose a genuine desire to "reclaim" for society those who have taken merely the first steps toward a life of crime. Federal-provincial co-operation, leading to a centralization of the entire penal system under Ottawa (except for those convicted under provincial statutes or for petty offences, or on remand), is the sensible solution suggested by the commissioners.

Canada cannot expect to reform her penal system overnight. At best the reforms suggested by the Commissioners must be worked out carefully and conscientiously over the next five, ten or fifteen years.

Now, however, a start has been made. The next job will be to find a citizen whose experience and training fit him for the difficult and responsible task of rebuilding the present system.

"How on Earth . . . ?"

THE OTTAWA JOURNAL defends the National Conservative party in respect of its railway policy. It ribs the Montreal Gazette for not liking the non-unification plank in the party platform and asks how on earth "half a dozen laymen sitting down in a room in Ottawa's Coliseum could decide in three days that unification of railways was the railway problem's remedy."

We would like to ask the Ottawa Journal a question.

How on earth could half a dozen laymen sitting down in Ottawa's Coliseum decide in three days that unification of railways was NOT the problem's remedy?

Editorials in Brief

News-Week suggests that the King and Queen may visit Canada next spring. The purpose, the paper suggests, is to stir up Canadian co-operation in case of war.

The story may merely be a revival of the rumors of a year ago that the King was to be crowned separately in each of the Dominions.

* * *

The Hughes round-the-world flight drew attention to the strategic position that the Yukon and northern Alberta will hold in the world's airways of tomorrow.

* * *

Headline writers should avoid giving investors too many shocks. We read "Pullman Corporation Broke" but discover there is a second line reading "Even in Second Quarter."

* * *

U. S. Ambassador to Britain Joseph P. Kennedy "snapped up" a $5 bet offered by a Washington correspondent that the Chamberlain Government would not last three months. But perhaps it was worth more than $5 to the correspondent to get Mr. Kennedy's opinion on a matter he could not properly discuss in an interview.

* * *

Brokerage houses report that this was the first bull market in New York that they can recall that did not lead to Canadian securities being dumped by speculators rushing their money home to get in on the Wall Street joy-ride.

Americans may like the look of things in Wall Street but many of their shrewdest investors continue to like Canadian prospects better.

* * *

Mr. Hepburn indignantly refutes suggestions that he may join Mr. Gardiner and Mr. Duplessis in a new national party.

The fusion would bring together three men of action, three very clever politicians.

The country may see some curious political combinations within the next few years, and even the line-up suggested would not be an impossible one.

* * *

"It's fun to be fooled . . ." but it's more fun to boo the magician when his promised tricks don't come off. Premier Aberhart is the most booed man in Alberta today.

Audiences are beginning to ask him pointed, embarrassing questions. "How much scrip money did you take yourself?" "Why did you pay Mr. Powell $4,000 before he left for England?" "Did he pay income tax on that $4,000?" "Who paid your salary as premier when you were campaigning in Saskatchewan?" "Did your Prophetic Bible Institute loan money at 8%?"

* * *

There is a good possibility that Britain will seek to re-establish in Canada a buying organization patterned on the Imperial Munitions Board, which did magnificent work during the Great War under the chairmanship of Sir Joseph Flavelle.

There will be an important difference, however, between the two organizations. The Imperial Munitions Board bought shells and other supplies for both Canada and Britain. The present Government at Ottawa will not, in peace time at least, set up any joint purchasing agency for war supplies in Canada.

* * *

"Commendation by the Ottawa Journal of Sir Edward Beatty's clarifying his unification plan before the Senate committee, was taken by The Financial Post to mean a change of attitude by the Journal and conversion to approval of unification. But this was promptly denied by the Ottawa newspaper. It has strongly supported the Canadian National and opposed amalgamation, and it has not altered its opinion."—*Winnipeg Free Press.*

Sorry, we never said that the Journal had been converted to unification. We merely said that the Journal had admitted there was some pith and substance to the Beatty estimate of $75 millions possible savings.

Even if the Journal believed the whole $75 millions could be saved we doubt if it would support unification. The Journal, like the Free Press, and the Conservative convention, has burned its railway bridges behind it.

* * *

It is never difficult to start an argument about politics.

A staff writer of The Financial Post, touring the West, writes that in one office he visited the two partners got into an argument as to the significance of The Post's recent election map of Saskatchewan. One man argued that it showed clearly that the voluntary debt adjustment scheme defeated Aberhart. The other partner said it proved nothing of the kind. The Financial Post man just listened and possibly thought of an incident that happened during the 1936 presidential election in the United States.

Someone called up one of the local Democratic headquarters and asked, "Can you tell us just what is the New Deal? We're having an argument about it."

The man in charge said, "Wait a minute," and went off to get the information. He came back to the telephone a few minutes later and said, "You'll have to hold the line awhile. We're having an argument, too."

Sayings of the Week

"I limit myself to two 'hells' and one 'damn' per show."—*Ed. Wynn.*

* * *

"The Royal Academy can now be seen in all its gigantic platitude."—*Wyndham Lewis.*

* * *

"It is no use making speeches on the weather."—*The Speaker, House of Commons, London.*

* * *

"Legend rides high with history, but truth follows a lonely trail."—*Cecil B. DeMille.*

* * *

"The luxuries of one generation become the necessities of the next."—*Lord De La Warr.*

* * *

"The swarming to the cities not only seems to have been checked but actually reversed."—*W. J. Cameron.*

* * *

"There is no clear direction, no leadership except in the dictator states."—*David Lloyd George.*

* * *

"Statesmanship today is far more afraid than in times past of the consequences of war."—*Evangeline Booth.*

* * *

"I suppose I am here as the next best thing after Shakespeare."—*G. B. Shaw at the opening of the National Memorial Theatre.*

* * *

"Except the twopence-halfpenny Mauritius, Sir Josiah must be the most valuable Stamp in existence."—*Pendennis in London Osberver.*

* * *

"This Government has the doubtful honor of being the greatest tax collector in all the history of Canada since Federation."—*Hon. Earl Lawson.*

* * *

"By no means a small proportion of British troubles oversea are caused by the sinister influence of the Communists."—*Sir Leonard Lyle.*

* * *

"I suspect good bargains between nations or classes—they are usually boomerangs. In a lasting bargain both sides gain equally."—*Sir Josiah Stamp.*

* * *

"There is nothing weak in the spirit of toleration or the desire to avoid war by exhausting every means that diplomacy may offer."—*Lord Halifax.*

* * *

"Repudiation is a costly remedy. It may afford immediate relief, but its long-range results are disastrous." — *G. W. Geddes, general manager, Northern Life Assurance Co.*

* * *

"A United American continent must now teach its lesson of democracy to nations that have reverted to one of despotism's old and outworn forms."—*Nicholas Murray Butler.*

* * *

"This business of trying to corrupt and bribe constituencies with public money is something that must be stopped if it possibly can be."—*Prime Minister Mackenzie King.*

* * *

"The claim for German colonial possessions will be voiced from year to year with increasing vigor . . . I should like to refute here the hope that such claims can be averted by granting credits."—*Chancellor Hitler.*

* * *

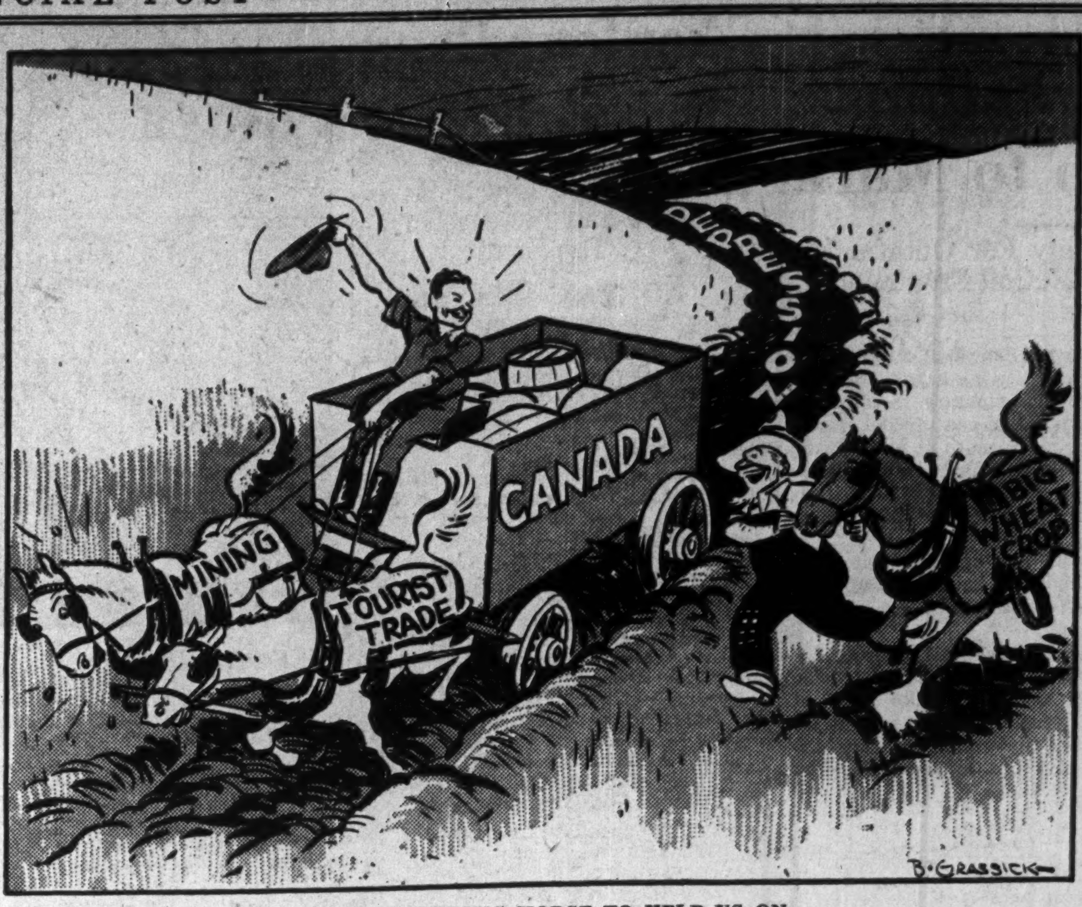
"Our educationalists should teach youth that man was not made for the State, that man was not made for the machine; but that the State was made for man and the machine was made for man."—*Sidney E. Smith, President, the University of Manitoba.*

* * *

"If we become too careless, too selfish or too cowardly to meet the responsibilities placed upon us by our democratic system, then we are in danger of losing everything handed down to us by the Magna Charta."—*Hon. Gordon Conant, Attorney-General of Ontario.*

* * *

"If the officers of the law chosen to celebrate marriages were selected from a responsible and respectable class, to the exclusion of the parson and the priest, it might, once for all settle the question of marriage in this province."—*Chief Justice R. A. E. Greenshields, of Quebec.*



ANOTHER STRONG HORSE TO HELP US ON

Post-Scripts . . . .

"Nate" Nathanson

Now in Europe to make his annual summer visit to Carlsbad is N. L. Nathanson, the dominating figure in the Canadian motion picture business.

N. L. NATHANSON

Mr. Nathanson's home is in Toronto, but he spends little more than half of his time in the city of his domicile. He spends a large part of each year in New York, London and Miami Beach.

As president and general manager of the Famous Players Canadian Corporation, Mr. Nathanson heads the biggest distributing and exhibiting group in Canada. He is also the controlling figure in the British Lion Film Corporation, which makes pictures in England, and he is frequently called into consultation on some of the problems of the American film producers. We have been told, too, that he was once urgently asked to take on the presidency of one of the biggest American companies, but declined the offer, probably figuring there were fewer headaches in showing pictures than in making them. That may be why he has been to Hollywood, capital of the film industry, only once in his life and on that occasion was with difficulty prevailed upon to remain overnight.

* * *

"Nate" Nathanson moved into the film industry by a series of steps that were as positive as they were illogical. The turning point in his life came when he was a newsboy in Minneapolis. One day a Pennsylvania Dutchman handed him a quarter, took a paper and walked on. The newsboy ran after him, gave him 20 cents change and said: "You gave me a 25-cent piece by mistake; the price is a nickel."

It turned out that the old gentleman had handed "Nate" the quarter deliberately to test his honesty.

A few days later the boy received an offer to join his customer in a business enterprise; the jobbing of railway tickets at cut-rate prices, then a profitable business conducted with the co-operation of the railroads.

What have railway tickets in Minneapolis to do with theatres in Canada? These were the links: A venture by the Pennsylvania Dutchman into the amusement park business; his employment of young Nathanson on some of the planning and building work; work on the construction of an amusement park in Montreal and then on one in Toronto; the purchase of billboard space to advertise the amusement park; an opportunity to act as salesman for the billboard enterprise and then to invest in it; and from that the purchase—on a shoestring—of a theatre in Toronto.

* * *

Birth of Famous Players

That theatre, the Majestic Opera House, bought from the late Ambrose Small, became the Regent Theatre, and served as Toronto's major movie palace in the immediate post-war years. It is already dismantled, so rapid has been the pace of picture progress. Mr. Nathanson soon added the Pantages of Toronto and the Pantages of Hamilton to his string. The string expanded, and Famous Players Canadian Corp. came into being. It became a nation-spanning enterprise.

And all resulted from the honesty displayed by a Minneapolis newsboy at a moment that he did not then realize was one of supreme importance in his life.

The motion picture industry does not take up all of Mr. Nathanson's time. He is a director of the Canadian Broadcasting Corporation and chairman of its finance committee. Recently he helped to open Holy Blossom Synagogue in Toronto, having raised a large part of the money to put up the structure.

His home in Toronto is famed for the breadth of its hospitality. Among its many novel features is a miniature motion picture theatre. And that brings us to the only real hobby Mr. and Mrs. Nathanson have. It is: the movies. They enjoy them just as much as any other fan who goes to his Famous Players theatres.

* * *

Oil Finder

John McLeod is another small-town boy who adventured in strange corner of the world and is back in Canada taking a key place in her industry.

Now he is head of the great Royalite web of wells and one of the two or three central figures in the Alberta oil picture.

He is fiftyish, middle height and shy. He is the solid, unspectacular sort of man instinctively respected and trusted.

His adventures began in Bothwell, Ont. In his youth, Canada had one of its first oil booms—in western Ontario—and it was there John got his early oil education.

He moved on to other fields with a big reputation as a skilful and very careful driller; as a man who could handle men.

He went to Peru as assistant manager for Imperial Oil. When that field was running smoothly, he was brought back to Canada for another pioneering job—Alberta.

John—his friends don't call him Jack—has been through all the Alberta oil booms of the past 15 years. John makes no bones about his enthusiasm for the Alberta outlook. But for him there is no hurry. "All I know about stock markets could be written on the back of a postage stamp," he said. There is oil in Alberta; he knows how to get it. His answer was a pungent sermon for stock market speed demons and for the too eager investor.

* * *

Dale Pitt Comes Home

British Columbia long ago came to regard Dale L. Pitt, general manager of Premier Gold Mining Company, as one of its ablest all round mining men. When, four years ago, his appointment to direct the development of the great Big Bell Mine in western Australia necessitated his departure, hosts of mining men in Canada were sincerely sorry to see him go.

DALE L. PITT

Subsequently, his many friends were delighted to hear that Dale Pitt had scared a spectacular success in the far-off gold field "down under." A few days ago they were even more pleased to welcome him back to Canada; although his return was for only a few weeks. Dale Pitt is still the big boss of Big Bell, and he will go back there after visiting the Ontario field, Premier's executive offices in New York and mining men in England.

* * *

That Vancouver hadn't forgotten the man who took charge of Premier in 1919 and piloted the Portland Canal's "wonder mine" through its years of greatest production, during which it yielded $20,000,000 in dividends, was strikingly demonstrated when hundreds turned out to hear Dale Pitt address a Board of Trade luncheon recently.

Pitt was on the engineering staff of the American Smelting & Refining Company's smelter at Tacoma, Wash., when Premier was a little known gold property in northern British Columbia. He was impressed with Premier when its ore began to go to Tacoma for treatment, and when the Guggenheims became interested in the property and took up the option, Dale Pitt thought he was lucky when head office named him manager.

But Pitt didn't realize then how fortunate he had been. "When a young man once asked John Hays Hammond how to become a successful engineer," recalled Pitt, "Hammond answered that the surest way was to become the manager of a successful mine. Any success that I can claim is due to the amazing record of Premier."

* * *

True to the traditions of his profession, he is notoriously modest. Not many men could go from northern British Columbia, the land of mountains and deep winters snows, to an arid, treeless desert at the other end of the world and create a mine that is expected to earn at least $1,000,000 a year. Yet that is precisely what Pitt did with Big Bell. Eighteen months after breaking ground, Big Bell was in production, handling more than 1,000 tons daily.

"I had to get adjusted to pounds, shillings and pence and long tons and a lot of funny words that miners never use in this country," says Pitt. "And I had to get used to the heat; I've seen it 140 degrees at Big Bell. But Australia has been good to us and before we're through we are going to do some big things for Australia.

"The Australians were frankly amazed with Canadian big-tonnage methods such as we have applied at Big Bell. Their minister of mines told me just before I left for Vancouver: "We thought it couldn't be done. We thought you were just another Canadian promoter or at best an impractical dreamer."

Australia evidently found out something that British Columbia could long ago have told it—that if a job in mining can be done, Dale Pitt can do it.

* * *

Retires to Golf

Puffing voluminous clouds of smoke from a much-smoked pipe, Charles Heath, retiring insurance superintendent for Manitoba, admits that his plans for the future are rather vague, outside of his intention to devote a considerable amount of time to golf, his favorite summer recreation.

Mr. Heath retired from his position with the Manitoba Government on July 15. On that date he had been in the provincial service and in the same position for 20 years and one month.

His sandy hair is now shot with grey. His neatly trimmed beard shows streaks of silver, but his eyes are as bright and his humor as dry and caustic as it was in the days when he was an insurance agent and learning the ropes in Portage la Prairie, 40 years ago.

* * *

The retiring superintendent was born in Auckland, New Zealand, and received his education in England. He was a young man of 19 when the "Go West, Young Man." advice hit him squarely between the eyes. And to the West he came. His first work was on a ranch at the Riding Mountains, but though the mountains may have been able to ride Mr. Heath confesses about the best thing he learned was how not to break in horses.

From the ranch he went to Portage and being a natural and excellent mathematician he gravitated into the insurance business and he recalls a bargain he made with R. M. Kelly, chief agent of the Home Insurance Company, of New York, whereby Mr. Kelly instructed him in the intricacies of insurance calculations by day and by way of compensation he played whist with Mr. Kelly at night.

Mr. Heath was born July 4, 1868. Looking back he reflects with gratitude that a letter from his favorite aunt, instructing that he be named George Washington, arrived too late. He had already been named Charles.

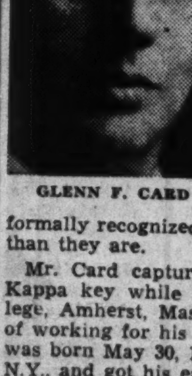
It is expected that the duties of Manitoba insurance superintendent will be combined with those of some other ranking civil service position as in all other Canadian provinces. During Mr. Heath's tenure, he was the only provincial superintendent of insurance without other duties.

* * *

Nemesis, New Style

Holders of Phi Beta Kappa keys, coveted tokens of academic distinction, enjoy enviable respect. Most of them have made impressive progress in their chosen fields, despite the occasional kidding they get. But we doubt whether the intellectual attainments implied by possession of the key have heretofore been applied to such a specialized field as suppression of commercial fraud.

Racketeers in Montreal, however, may now enjoy the distinction of being harassed by a Phi Beta Kappa man. He is Glenn F. Card, newly appointed manager of the Montreal Better Business Bureau. When exposed, the parasites who prey on legitimate business and the public alike in Montreal, may console themselves with this thought: Their Nemesis has been formally recognized as a lot smarter than they are.



GLENN F. CARD

Mr. Card captured his Phi Beta Kappa key while at Amherst College, Amherst, Mass., in the course of working for his B.A. degree. He was born May 30, 1897, at Cortland, N.Y., and got his early education at Cortland Central High School. Quite apart from his inclusion in the P.B.K. roster, Mr. Card is otherwise well qualified to act as vigilante for the business and financial community, and the public generally. After leaving Amherst he graduated from Harvard Law School in 1925.

It was in August of that year that he moved to Montreal, and began a commercial experience that should be valuable to him in his new duties. He was for 10 years on the staff of Riordon Sales Corp., subsidiary of Canadian International Paper Co. He sold wood pulp to manufacturers of paper, rayon and Cellophane. From 1935 until his appointment to lead the battle on fraud in Montreal, he was secretary-treasurer of Rogers Montreal Ltd., subsidiary of Elias Rogers Co., big Toronto coal firm.

Mr. Card was selected for his new job after careful scrutiny of available talent. It is some months now since R. H. Neilson, former general manager of the Montreal B.B.B., resigned and went to Vancouver to try to start a bureau there. As befits a P.B.K. man, Mr. Card belongs to the University Club of Montreal.

As Others See Us . . . .

Tax Reduction More Vital
Moncton Times

Most every Canadian will agree with the opinion expressed by The Financial Post that the inherent merit in Ottawa's vast $80 millions loaning scheme unfolded in the past few days would be more readily appreciated if it had been preceded by a budget speech announcing substantial tax reductions for the sorely pressed Canadian taxpayer. Few things would be more beneficial to the national well-being at the present time than a cut in taxes.

Northern Ontario Cities Doing Well
Port Arthur News-Chronicle

The generally strong financial position of the cities of northern Ontario draws special comment of The Financial Post of Toronto in a review of conditions in communities throughout Canada. Among those to be favorably mentioned Port Arthur stands high.

It may have occurred to some that there is special significance in this due to the fact that normally the newer communities would be expected to have accumulated more than the average of debts by reason of expenditures necessary to their development, expenditures which in many eastern communities have already been wiped out by the maturing and payment of the accompanying bond issues.

That Bank of Canada Move
Penetanguishene Herald

We do not profess to know anything much about the economics of banking but we would have preferred to see the Bank of Canada operated as a joint government and private enterprise rather than to be completely taken over by the government. It is altogether too easy for any department of government to be operated for purely political ends. Great Britain has not hesitated to unite the initiative and thrift which goes with private undertakings to various enterprises such as Imperial Airways. We are inclined to agree with the following paragraph from The Financial Post:

"Had the bank continued to operate successfully as a public-private partnership, the experiment might have pointed the way toward a solution of other national problems, such as the railways. The change to complete public ownership unfortunately removes this opportunity."

Publicity for the Maritimes
Halifax Chronicle

The Financial Post of June 25 devotes ten pages to pictures and articles dealing with the Maritime Provinces. The Post appears to have done a thorough job and many phases of Maritime business and industry are discussed. The tone of the article is friendly and the publicity should be of some value to this section of the Dominion.

There are articles on fishing, mining, lumbering, manufacturing, and farming, there is a discussion of the tourist trade, and a summary of the submissions from these provinces to the Rowell Commission.

The article on the Rowell Commission presents, in readable style, a general picture of the plight and plaints of the Maritime Provinces. It attempts to give a sympathetic picture of their position within Confederation and their attitude toward the Dominion generally. The article succeeds pretty well in presenting the Maritimes case, not as a "sectional" outcry of little importance, but as a legitimate complaint of injustice.

The Financial Post is a paper of considerable prestige and it is read by many of influence in all parts of Canada. It is to be hoped that this presentation of the Maritimes grievances will have some effect. If a more sympathetic attitude toward the Maritimes is the result the article will have done this part of the country (and possibly the entire Dominion) a fine service.

Other People's Views . . .

Government Estimates
Montreal Gazette

When the railway problem is solved, the Government will be in a position to present its estimates to Parliament with clean hands, or, at any rate, with something like a clear record.

As things are it cannot justify its position. It rejects the only practical solution yet offered, notwithstanding the fact that arguments against that solution are fallacious when they are not downright dishonest.

Quod erat demonstrandum
Nation's Business, Washington

In 1910, says The Detroiter, a four-cylinder Packard limousine cost $5,550; in 1937, an eight-cylinder Packard sedan cost $1,075. The editor then makes other 1910-37 comparisons as follows:

Cost of Federal Govt. ....UP 1,068%
Per Capita Federal Debt .UP 2,120%
Total Federal Debt ....UP 3,075%
Mich. Federal Taxes ......UP 5,938%
The price of a Packard DOWN 80.6%

The editor asks:

"Which needs reforming—Business or Government?"

Stop Me If . .

New Deal Figures

Approximate population of U.S.A...		120,000,00
Eligible for Old Age Pensions ...	46,000,000	
Children prohibited from working	30,000,000	
Government employees ..	30,000,000	
Unemployed ..	13,999,998	
		119,999,99
Left to do the work		
		120,000,00

Just me and the President: He's gone fishing and I'm getting damned tired.

Week in Business

New Purchasing Power Will Soon Aid Business

Quick Improvement in Third Quarter Seen — Crops and Tourist Trade to Help — U. S. Recovery Vitally Concerns Canada

For the time being at least Canadian business seems content to tag along behind stock market improvement and will probably continue to do so until the end of the month. Recent and present dullness is due entirely to the fact that sources of fresh purchasing power have been lacking and under such circumstances it is difficult to maintain routine pressure. Satisfactory tourist trade this summer, plus the harvesting of a big western wheat crop next month, however, should see business again leading the way in the third quarter.

• • • •

Size of coming business gain will largely depend on wheat prices. There is already assured sufficient volume to keep directly dependent industries, elevator and grain companies, flour millers and the western branch railways busier and more profitable than has been the case for at least five years. Industries catering to the equipment needs of farmers are also promised a big demand because the present crop cannot be handled without new farm machinery, and trucks and the necessary gasoline and oil to operate them. From the difference between these operating costs and total revenue from the crop will come the new purchasing power.

• • • •

Business conditions in United States continue to improve sharply and recovery is now beginning to be backed with tangible and heartening statistics. Retail trade has made its best advance since the slump started last fall. Steel production is up more than 50% from the recent low though current output, it should be remembered, is still but a third of potential capacity. At mid-July general level of American business was about 10% above the year's low. Inventories in many lines appear to be at or near a hand-to-mouth basis, so that any increase in retail demand is almost instantly passed back through manufacturing to raw materials.

The change in United States is of vital interest to Canada as it promises to check promptly our sharply falling exports. These were down about 40% or $47 millions in June and much of the decrease was due to a smaller United States demand. A continued revival in that quarter will naturally improve price and demand for Canadian products, especially base metals, lumber and agricultural products aside from wheat. Of the latter commodity Americans have more than they need for themselves this year.

Business Indicators

General business continues fairly steady, with but fractional declines in weekly index of Dominion Bureau of Statistics and monthly index of The Financial Post.

Railway car loadings and earnings showing some improvement over recent months, but level still sharply below a year ago.

Newsprint production and export in June about the same as previous month, with a volume in both cases stabilized at about two thirds that of 1937.

Mining output of copper and nickel in first five months has substantial lead over same period a year ago, with particularly big gain in copper.

Exports in June off about 40% from corresponding month in 1937. Drop due partly to lower prices also to lower volume grain, livestock, base metals.

Lumber exports in June off a little from year ago and cumulative for year to date down about 12%.

Current trend in Canadian business is shown by The Financial Post index of business activity, with new figures for the week marked thus.▲

	July 9	July 2	June 25	June 18	July 10/37
Weekly index, DBS	108.1	109.1	106.0	107.0	109.7
Commodity prices	79.1	79.9	80.4	80.2	87.0
	June	May	Apr.	Mar.	Year Ago
Financial Post index	109.6	110.5	109.0	108.9	122.0
Retail trade index no. of sales	....	76.5	76.2	77.9	78.9
Dept. store sales "	74.5	73.4	73.8	75.5	77.5
Wholesale index no. of sales	....	95.6	89.4	87.8	95.6
Country sales (% of gains)	...	*2.2	5.5	0.5	8.9
Employment D.B.S. Index—	June 1	May 1	Apr. 1	Mar. 1	Year Ago
All industries	111.9	107.4	105.0	107.8	114.3
Manufacturing	112.3	110.8	110.8	110.5	117.9
Living costs¶	$17.43	$17.36	$17.48	$17.39	$17.20

	1938	1937	Jan. 1 to date 1938	Jan. 1 to date 1937
Railways—				
Carloadings, week (July 9)	▲43,346	51,820	1,179,965	1,286,527
C.N.R. gr. earn., wk. (July 14)	$ ▲3,188,221	$ 3,770,754	$ 88,907,141	$ 102,274,179
C.P.R. gr. earn., wk. (July 14)	$ ▲2,439,000	$ 2,675,000	$ 66,107,000	$ 72,101,000
C.P.R. net revenue (May)	$ 422,118	$ 1,574,219	$ 2,169,620	$ 7,065,042
C.N.R. net revenue (May)	$ •478,614	$ 1,666,250	$ •4,909,400	$ 6,232,761
Iron and Steel (May)—				
Pig iron production (tons)	71,602	78,147	339,783	345,666
Steel ingots and castings prod. (tons)	114,859	120,843	561,340	594,433
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (May)	14,157	16,944	51,788	62,282
Factory output (May)	13,641	17,980	65,088	79,644
Trucks and Buses:				
Domestic sales* (May)	3,820	4,099	13,196	14,119
Factory output (May)	4,474	5,478	22,338	25,086
Exports (May)	5,253	5,075	29,165	27,678
Financing (May)—				
Used	$ 4,794,541	$ 4,754,834	$ 15,075,292	$ 14,535,558
New	$ 5,295,003	$ 5,810,739	$ 16,274,424	$ 17,971,623
Construction—				
Production—				
Cons. contracts (June)	$ 20,928,100	$ 30,369,600	$ 80,655,200	$ 110,375,800
Cement, bbls. (April)	364,096	371,839	873,104	780,029
Clay (April)	264,689	289,272	755,737	730,664
Gypsum, tons (May)	▲110,515	113,570	178,673	215,930
Agriculture—				
Flour prod., bbls. (May)	977,740	900,288	4,541,922	5,058,620
Flour exp., bbls. (June)	299,503	389,995	1,651,331	2,076,707
Wheat exp., bus. (June)	7,275,376	12,180,068	25,783,861	43,724,035
Cattle sales (May)	59,824	54,304	273,523	295,522
Hog sales (May)	59,396	79,135	320,651	439,876
Sea Fisheries—(May)‡				
Catch, cwts.	1,078,865	1,150,998	2,261,125	2,312,203
Landed value	$ 1,888,222	$ 2,402,839	$ 3,969,492	$ 4,677,678
Newsprint (tons)—				
Production (June)	▲201,694	312,165	1,259,871	1,787,760
Exports (June)	▲194,520	306,645	1,103,286	1,631,583
Mining and Oils—				
Coal prod., tons (May)	1,017,337	1,077,669	5,967,907	5,958,415
Coal imports, tons (May)	1,351,193	1,702,528	3,368,947	4,303,066
Gold prod., fine oz. (May)	▲381,089	340,125	1,827,475	1,628,356
Nickel prod., lb. (May)	▲18,620,908	18,462,389	92,667,972	90,426,601
Copper prod., lb (May)	▲48,429,331	41,561,784	243,558,959	201,055,674
Crude pet. prod., bbls. (Apr.)	464,316	188,014	1,815,685	659,655
Crude pet., imp. bbls. (May)	3,801,000	3,792,717	9,519,976	9,902,716
Electric Power Output (May)—				
Total monthly m.k.h.†	2,081,935	2,301,167	10,741,884	11,500,794
Trade—				
Imports (May)	$ 67,123,037	$ 76,707,454	$ 277,745,537	$ 305,147,005
Exports (June)	$ ▲78,307,834	$ 115,297,643	$ 415,679,447	$ 536,274,975
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (June)	▲166,177	182,191	756,092	862,634
Boot & shoe prod., pr. (May)	1,923,773	2,239,211	9,232,083	10,257,149
Cotton, raw, imports lb. (May)	3,605,041	8,679,224	46,305,322	60,072,701
Raw rubber imp., lb. (May)	5,700,660	9,452,674	18,081,374	24,838,547
Cigarette cons. (June) No.†	▲631,524	628,744	3,231,858	3,055,861
Sugar manufactured, lb.§	94,408,309	65,774,505	283,874,458	275,509,721
Finance—				
Bank debits (May)	$ 2,461,867	$ 2,768,765	$ 11,854,491	$ 15,294,091
Bond sales (June)	$ ▲64,810,687	$ 104,300,184	$ 625,152,237	$ 719,382,690
Life insurance (May)	$ 30,342,000	$ 31,858,000	$ 157,588,000	$ 155,078,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to May 21, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. •Deficit. *Decrease.
¶For average family per week, food, fuel, rent.

A Booklet About Bonds

The 1938 edition of our booklet "Canadian Corporation Issues," now available, gives information on securities of fifty-nine public utility and industrial companies. A handy source of reference for investors.

Royal Securities Corporation
Limited

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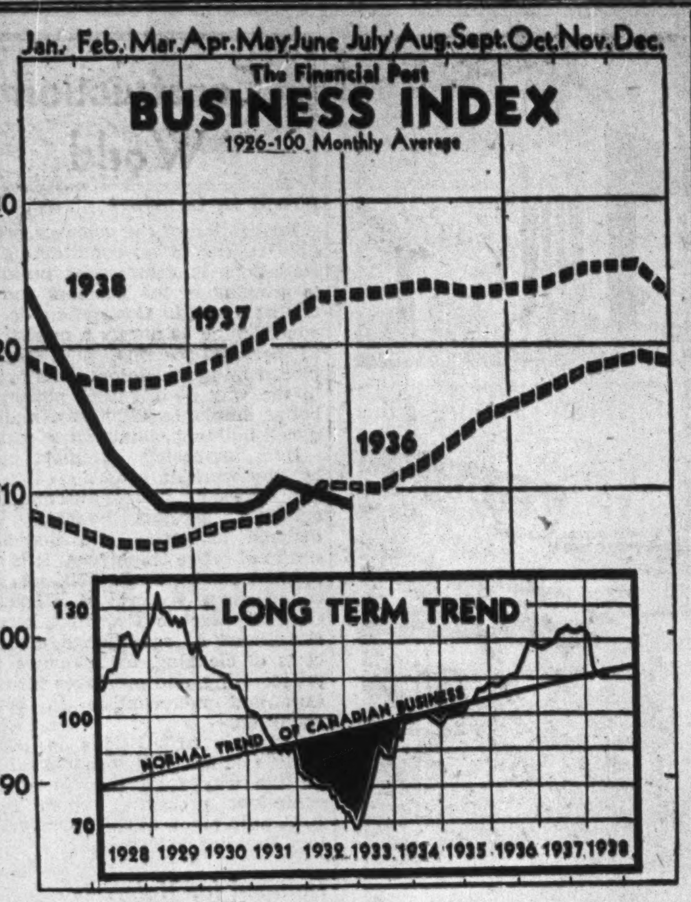
Montreal

330 Bay Street
Toronto 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Calgary, Vancouver, Charlottetown, Hamilton, St. John's, Nfld., London, Eng.



HOLDING STEADY

Largely due to continued shrinkage in export trade, notably in grains, metals and livestock, level of Canadian business in June was slightly lower than in May. Sharp improvement in security and commodity values came too late to affect the general picture, but should register decidedly in the present month. The Financial Post Business Index for the end of June was down about 11% from the same month in 1937. Major factors are reported in detail as follows:

Major Economic Factors

		June, 1938	June, 1937	Incr. + Decr. —	May, 1938
F. P. Business Index	1926=100	109.6	124.0	—11.6	110.4
Common stocks	1926=100	100.0	129.4	—22.7	99.7
Wholesale prices	1926=100	80.1	84.6	—5.3	80.3
Capitalized bond yields	1926=100	101.9	144.3	+12.2	162.1
Bank deposits	1926=100	121.3	120.1	+0.9	121.2
Copper exports	cwt.	421,034	367,208	+14.7	590,169
Nickel exports	cwt.	94,152	216,710	—56.6	169,086
Zinc exports	cwt.	168,758	321,107	—47.4	323,174
Asbestos exports	tons	16,306	17,205	—5.2	19,057
Sugar manufactured	lb.	94,408,309	65,774,505	+43.5	95,504,010
Cheese, factory	lb.	21,984,173	24,542,134	—10.4	11,413,378
Butter, creamery	lb.	40,840,771	37,948,737	+7.6	29,025,892
Crude rubber imports	lb.	7,264,134	8,488,643	—14.4	5,700,660
Raw wool & yarn imports	lb.	915,765	4,570,776	—80.0	1,839,283
Newsprint production	tons	201,694	310,871	—35.1	207,678
Planks and boards exported	M. ft.	166,177	182,191	—8.8	124,957
Shingles	squares	37,431	209,836	—82.2	58,393
Steel ingots	L. tons	109,000	118,744	—8.2	114,859
Pig iron	L. tons	64,375	78,278	—17.8	71,602
Automobiles	No.	14,732	23,841	—38.2	18,115
Petroleum imports	gal.	137,602,000	156,154,899	—11.9	123,035,000
Carloadings	No.	187,467	214,229	—12.5	190,164
Exports	$	78,307,834	108,857,343	—28.1	72,791,247

Background of Business

Safety Engineering

Recent election of Paul G. Hoffman, president of the Studebaker Corp., as president of the Automotive Safety Foundation in the United States, has renewed interest in Mr. Hoffman's comprehensive address at the Foundation's annual meeting some months ago on scientifically planned reduction of auto accidents. Highlight of his address was the declaration:

"While the reduction of accidents is a complex problem, the startling fact stands out in bold relief that the general application of known techniques in the field of enforcement, education and traffic engineering will bring a reduction of not less than 25%. It has already done so in hundreds of communities and several states."

• • •

Follow Up

Business and industry are showing increasing awareness of the importance of good public relations. They are finding that goodwill not only produces a mounting volume of business, but is most valuable on occasions when favorable public opinion is vitally needed.

Particularly assiduous in cultivating pleasant relations with patrons have been American and Canadian hotel managements. There are signs that hotel methods for making customers feel appreciated are being taken up on an increasing scale by railways, particularly in the United States. For instance, travellers on the Overland Route of the Union Pacific Railroad receive an informal, well worded note of appreciation of their patronage, following their trip. This applies, of course, to those whose names are available and whose use of the line comes to the attention of the passenger department at head office in Omaha.

Similar methods for building goodwill and future business have not yet been adopted as a general practice by Canadian roads, though C.N.R. district passenger officials usually send such letters to particularly prominent persons, using C. N. services.

U. S. Store Sales

Recovery of consumer buying in the United States during June is reflected in record of department store sales. According to report of the Federal Reserve Board, the decline from May to June was less than seasonal and lifted the Board's adjusted index from 78 to 81. However, the June figure is still 12% below June, 1937, and total sales for the first six months showed a decline of 10%. The report covers 510 stores in 241 cities. Largest decreases were shown for the Federal Reserve districts centering on Cleveland, Philadelphia and Chicago

• • •

Fair Trade Compilations

The so-called fair trade laws passed in the various provinces of Canada are resulting in unusual complications. Hardware and Metal points out that recently a manufacturer attempted to introduce a new product to Alberta by the old method of giving it free with two packages of the regular line. When he approached a retailer his plan was questioned under the Trade and Industry Act, which forbids giving away free goods. The same manufacturer has a similar proposition in the Maritimes, where no such laws exist and now he is wondering whether or not he must figure on sales plans for the nine provinces.

• • •

Store Clerk's Hours

Notwithstanding currently circulated reports the Ontario Department of Labor has no intention of rushing through an amendment to the Minimum Wage Act in regard to wages and hours for employees in retail stores, Bookseller and Stationer announces.

"We realize from our conferences and talks with both employers and employees," an official of the Labor Department told that publication recently "that the hours of work per week for employees as set out in the act may be very well for industrial concerns but all wrong for some lines of the retail trade." Bookseller and Stationer reports that retailers are co-operating with the Labor Board and hope to work out legislation that will be satisfactory to all concerned but the point was emphasized that no hasty regulation is anticipated.

Moisturepoof!

MAKE THIS EXPERIMENT—the paper on EXPORT Cigarettes is genuinely moistureproof! Won't stick to the lips. It's tasteless, odourless, free-burning . . . you enjoy the full natural flavour of fine Virginia Tobacco.

"EXPORT"
Gold Standard Virginia Cigarettes

Canadian Steel Prices Adjusted to U.S. Cuts

Dominion Industry in Better Position to Absorb Reductions

Canadian steel prices have been adjusted downward to bring them approximately into line with the sweeping price cuts recently effected by major steel makers in the United States.

The Canadian reductions are not regarded as serious in extent, though welcomed by steel product consumers. The cuts will have some effect on earnings of Canadian producers. But as they mark the first price break since rates were raised a year ago, shrinkage in profits will likely be limited.

Double Barreled Cuts

Price slashing in the United States was double barreled. The larger firms cut quotations on a wide range of basic steel products by from 7% to 17%. More important and far reaching, however, was abolition of the "Pittsburgh plus" basing point system of price schedules. This had the effect of eliminating differentials ranging from $1 to $3 a ton from prices at seven points other than Pittsburgh.

As far as Canada was concerned, the most important effect of this move was wiping out of the basing point differential at Buffalo, where prices previously had been $2 a ton over Pittsburgh. Combined with the general price cut, this narrowed the margin of the Buffalo price plus duty over prices of Canadian-made steel products. In effect, price cuts of Canadian companies restore the previous spread between Buffalo and Canadian rates on the Canadian made range of products.

Hitherto, American steel products in classes made in Canada have not been competitive in price with Canadian produced steel, except under special circumstances. It would appear that the current price adjustments will continue this condition. Prices on U. S. products not made here have also been reduced by American firms doing business in Canada, in proportion to the downward adjustment of about $5 a ton at Buffalo. These reductions will apply in Canada chiefly to sheet steel for auto bodies, heavy structural steel, and specialty steels.

Price cuts of the Canadian companies apply mainly to galvanized and black sheets, light structural shapes, bars and pipe, and fence, nail and other wire products. The slashes range from $3 to $5 a ton, compared with the combined reductions of $4 to $9 a ton in U. S. prices.

Quite apart from the lesser extent of the Canadian reduction, the Canadian companies are in a much better position to absorb the cuts than the American industry. In Canada, steel prices have held firm since the rapid advance of early 1937, and recession loss of business has not been more than 5% to 6%. In the U. S., curtailment of operations from 1937 volume ran over 60%.

Furthermore, the Canadian reductions will only apply for part of the year and on a selective range of steel products.

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Germany—Industrial production continues to increase, with employment at an all-time peak and unemployment almost negligible; foreign trade and agricultural developments are less favorable.

Portugal—Little net change has occurred in industry and trade, but better crop prospects afford encouragement to agriculture.

Union of South Africa—Confidence has strengthened since election, although business still quiet, basic conditions are considered the soundest in several years.

Australia—Trade and industry are stable at a relatively high level; no sharp decline is anticipated but further gains are considered improbable unless conditions in the United Kingdom and United States improve.

New Zealand—Purchasing power has receded somewhat from earlier high levels, owing to lower wool quotations and the rather sharp drop in butter prices.

Mexico—Business remains at low level though some evidences of adjustment to current conditions; textile industries depressed and wholesale trade below year ago.

India—Sales turnover disappointing in Calcutta market area and further declines expected.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

We offer

McColl-Frontenac Oil Company
Limited
4¼%
First Mortgage and Collateral Trust Bonds
Maturing October 1, 1949
Price: 100 and interest yielding 4.25%
Denominations — $1,000 and $500

We shall be glad to look after orders for cash or for conversion from the present 6% Bonds which are to be redeemed. Telephone or telegraph at our expense.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Ottawa
Montreal
London
Hamilton
Correspondents in New York and London, Eng.

Bell Telephone Co. Issues Employee Stock

MONTREAL.—Bell Telephone Co. of Canada has notified the Montreal Stock Exchange that one additional share of the company's capital stock has been issued in connection with the employees' stock plan. There are now 796,720 shares outstanding.

"If you insure a man today, he might die tomorrow. Then you'd have to pay the face value of the policy after receiving just one premium. How can you work out life insurance rates when you have to take such chances?"

Ah, but no chances are taken.

Who will die this year? Nobody knows.

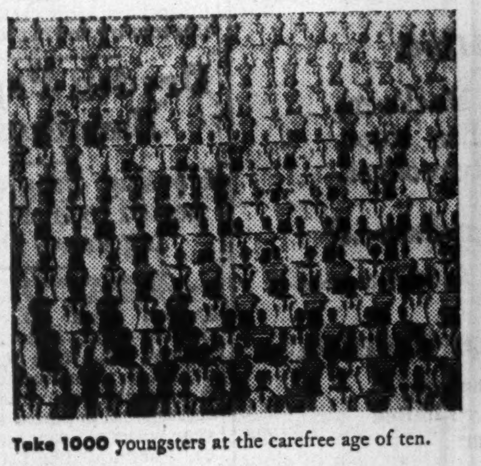
How many will die this year? That is a different matter! Experience provides a practical answer.

Did you ever hear of a *mortality table*? It is a table that shows the number of people in any given age group who have died each year.

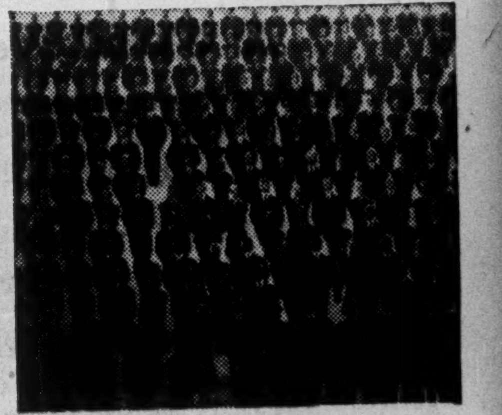
Mortality tables are thus based on *past* experience and become the measuring rule for the *future*. Many mortality tables are available. Some show the experience over various years for the population at large; some for different classes of insured people; and some for various other purposes. The selection of a particular mortality table by a life insurance company depends upon its suitability for the group which is insured.

Let us see how one of the many mortality tables works. We will study one that is written into many insurance laws. What does this table show?

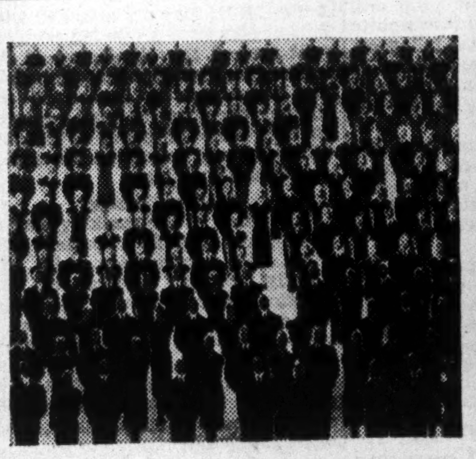
We don't know who will die—but we know how many



Take 1000 youngsters at the carefree age of ten.



Twenty years later, at the age of *thirty*, this table shows that 146 of these 1000 youngsters will be dead.



At forty, life may *begin* for some of them, but according to this table it will have *ended* for 219 of the 1000.

At age fifty, 302 of the group will have passed on, 698 will still be alive.

At sixty, 579 remain alive of the original 1000.

At seventy, 386 remain to refute the saying that man's life is but "three score years and ten."

At eighty, of our original 1000 youngsters, there still are 145 left, and at least 8 of them will live to be ninety.

Thus, the number of people who are expected to die each year, according to the mortality table, is an important factor in working out safe and fair life insurance premiums. In mutual or participating life insurance, any saving resulting from the difference between expected and actual deaths is reflected in dividends to policyholders, and this is true no matter what mortality table is used.

This is Number 3 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE
OTTAWA

Pulp and Paper Industry

Newsprint Strengthening

Operators Look to Higher Earnings — Progress Made in Putting Stocks on Normal Basis

From Our Own Correspondent

MONTREAL.—It is now possible to form some idea of how the newsprint companies fared during the first half of the year and to obtain an idea of the likely returns for the last half of the year.

On the average it is doubtful if the companies did much more than cover senior charges in the past six months. Of course, there are exceptions. But these are special cases and do not reflect truly returns for the industry as a whole.

For the next six months returns should be more cheerful for newsprint security holders. The gains in some cases may be pronounced. However, they will be largely offset by the comparatively poor returns for the period just passed.

The more optimistic note is based on the assumption that business in the States revives and that the present policy in relation to surplus stocks will continue. On both counts prospects are better than average.

Industry's Record to Date

To the end of June Canadian mills operated at 60% of rated capacity. For the same period in 1937 the ratio was 85%.

Actual production was 1,259,871 tons as against 1,787,760 tons, a decline of 29.5%.

Shipments did not shape up as well; 1,130,499 tons compared with 1,693,101 tons. This represented a drop of 33.2%.

The falling off in demand was due to a drop of 38.7% in shipments to the United States. Canadian publishers took 26% less this year. Overseas countries bought 6.9% less.

Factors to Consider

It is obvious that with a drop in operating ratio from 85% to 60%, production and selling costs increased sharply. It is equally obvious that with shipments down 33.2%, the operators carried a larger quantity of paper. This was expensive.

In considering possible financial returns, the 1938 selling price of newsprint must not be overlooked. Last year newsprint sold at $42.50 a ton, New York delivery. This year manufacturers have been receiving $50 a ton.

The higher price went far toward offsetting increased costs and lower sales. But the larger dollar revenue per unit was not sufficient to counterbalance the decline in sales.

Trend of Earnings

So far three newsprint operators have given indications of the trend of their earnings for the current year.

For the first 5 months of 1938 Abitibi reported earnings of $799,143 before depreciation and bond interest, but after interest on receivers' certificates. For the same period in 1937 earnings were $1,703,882, a drop this year of 53.10%.

For the half year Great Lakes Paper earned full depreciation and bond interest and made a net profit of $41,303. for all of last year the company had a net profit of $245,278, after setting up $49.000 for income taxes.

Lake St. John Power & Paper covered its interest charges and part of the depreciation allowance in the first half of the year. Indications are that for the full year depreciation will be covered, but there will be little or nothing available on the capital stock. In 1937 the company showed comparatively large earnings on both the preferred and common stocks.

Show Average Experience

The experience of Great Lakes Paper is not typical of the industry. Because of its special relations with customers, earnings this year are on a better basis than for the other operators.

It would be better to take Abitibi and Lake St. John Power income as being typical of the industry. While Abitibi's returns do not show bond interest earned, it is expected that the anticipated improvement in the next 6 months will result in better earnings and the covering of bond interest.

If the industry as a whole covers interest charges and depreciation, the results for the year should be considered satisfactory in view of prevailing conditions. Naturally some operators will do better. Unless there is an abnormal improvement in the current half year, earnings will not be as good as in 1937.

Working Off Surplus

The biggest improvement in the newsprint picture so far this year has been the decline in publishers' paper stocks. If the present rate of consumption continues, these stocks should be back to normal by the end of this month, or August at the latest.

At the half-year mark there were close to 200,000 tons too much paper on the market. The absorption of these stocks will tend to hold down production between now and the end of the year. However, if the anticipated increase in demand materializes, mill operations should be stepped up to a higher level.

Hit Stride in 1939

Perhaps the most encouraging feature of the whole newsprint situation is that by the end of the year —and possibly before that—production and marketing should be on a stabilized basis.

In that event Canadian newsprint mills should be back in their stride for 1939, with better operations, more shipments and higher earnings.

Canadian Mills Bear the Brunt

From Our Own Correspondent

MONTREAL.—Canadian newsprint mills have borne the brunt of the decreased demand for newsprint paper this year.

According to the News Print Service Bureau Canadian mills produced 527,889 tons less in the first six months of 1938 than in the first half of 1937, a decrease of 29.5%.

Output in the United States was 76,082 tons or 16.2% less than a year ago.

Newfoundland reports a decline of 46,265 tons, or 26%, while for all North America there was a decrease of 650,236 tons, or 26.7%.

A Good Name

For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.

Newsprint — Groundwood

270,000 h.p. **Hydro Power** *Installed capacity*

MACLAREN POWER & PAPER COMPANY

Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

PRICE BROS.
& Company Limited

NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES

Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Pulp and Paper Traffic Drops

Carloadings of Pulpwood Show Good Gain This Year to Date

From Our Own Correspondent

MONTREAL.—Lower sales of pulp and paper continue to contribute to the smaller volume of traffic on Canadian railways. Car loadings of pulp and paper in the week ended July totalled 1,388 cars. This compares with 1,224 cars in the previous week and 2,431 cars in the corresponding week of 1937. Of the total, 1,225 cars were loaded in the eastern division and 163 cars in the western division.

Pulp and paper car loadings for the year to July 9 total 46,213 cars, a decrease of 27,631 cars from the same period last year.

Car loading of pulpwood in the week ended July 9 totalled 1,310 cars, a decrease of 597 cars from the same week last year. For the year to date car loadings of pulpwood show an increase of 9,652 to 55,975.

Great Lakes Report Profit

Relatively Favorable Showing Made Under Adverse Conditions

In the six months ending July 1, 1938, the Great Lakes Paper Co. earned a net profit of $41,303, after full depreciation and bond interest. This compares with a profit of $116,991 in the corresponding period of 1937, when shipments were 32% higher.

C. H. Carlisle, president, in a letter to shareholders states that in this same period the amount of tonnage shipped by the Canadian newsprint industry as compared with the same period a year ago, was down 617,901 tons, or 38%. He attributes this to generally adverse business conditions in Canada and the United States and excessive tonnage shipment made in the last half of 1937. Great Lakes Paper felt the effects of these conditions and Mr. Carlisle points out that, because of the 32% decrease in the company's shipments, costs were higher, profits reduced, but the company was still able to report a net profit.

Last Half Better

Greater profit is expected in the last half of the year because of better business conditions and a saving to the company on the water shipments which are at a maximum in the summer and fall months.

The company built a dam and roadways on the Black Sturgeon limit during the past six months and improvement made in the plant have resulted in higher efficiency and greater economy. Within the next 60 days the company expects to start converting screenings. This operation should turn a wastage which has meant considerable loss into a substantial profit.

In the first half of this year the company has met promptly all its current obligations and also has paid deferred bond interest amounting to $163,195. This interest was deferred by agreement with bondholders early in 1937 to permit the company to pay off indebtedness and put its mill into efficient working condition. Latest payment on deferred bond interest is due July 2, 1939.

Mr. Carlisle looks for a continuation of better business in the last half of this year and perhaps for a considerable time thereafter because of prospective large grain crops both in this country and in the United States.

Dryden Paper Co. Earnings Lower

Housing Programme Expected to Increase Building Paper Demand

From Our Own Correspondent

MONTREAL. — Net earnings of Dryden Paper Co. for the nine months ended June 30, after bond interest but before depreciation and depletion, amounted to $50,600. This is a substantial reduction from the corresponding period of the previous year when net earnings on the same basis amounted to $141,100.

The lower earnings reflect the restricted activity in the pulp and paper industry. Demand for sulphite pulp in United States has fallen off sharply and the physical volume of the company business in Canada in paper bags and building papers has dropped 25%.

Certain plant extensions and improvements are now nearing completion. On completion of these, the company will be in a better position to take care of any increase in business.

Prospects of the company for the balance of the year are regarded as somewhat brighter. The Dominion Government's assistance to low cost housing schemes is expected to result in an increased demand for building papers.

Bowater-Lloyd Forms Newfoundland Company

MONTREAL. — Formation of a company known as Bowater-Lloyd Newfoundland Ltd., with a capital of £500,000 ($2,500,000) in £1 shares has been announced in London, Eng. Incorporation of the company has to do with the acquisition by Bowater's Paper Mills Ltd. of control of International Power and Paper Co. of Newfoundland.

British Publishers Expect Lower Newsprint Prices

From Our Own Correspondent

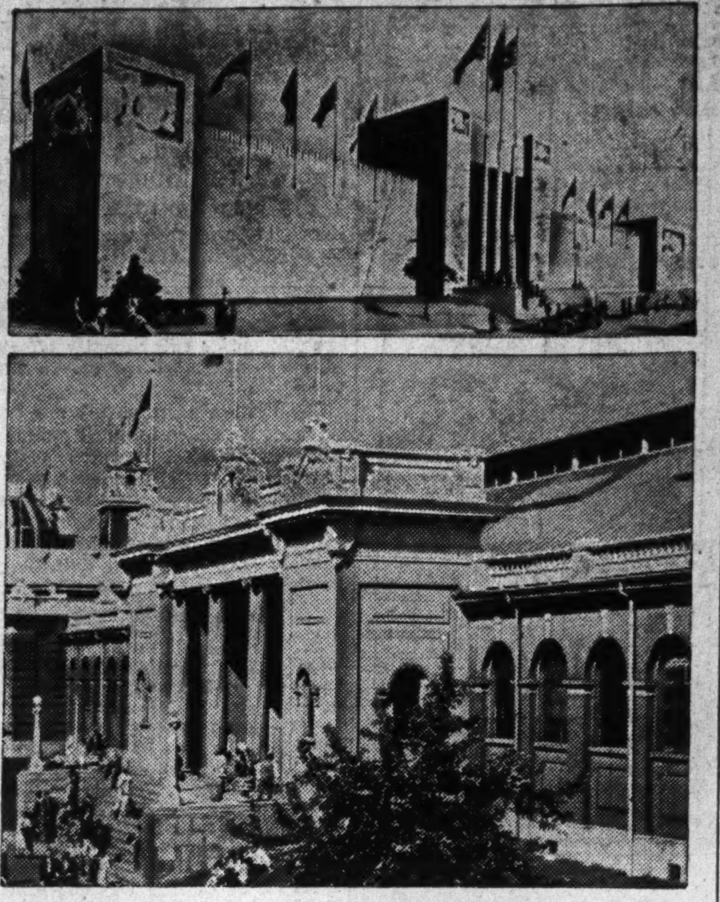
MONTREAL. — British publishing circles are almost certain that the 1939 price of newsprint will be lower than that at present prevailing.

The British trade journal, Advertisers Weekly, reports that Eric Bowater is now negotiating with newspaper publishing interests on the contract price for next year. The Advertisers Weekly says:

"Hopes are being held that next year prices may be fixed at the 1937 contract price of £10 a ton.

"It will be remembered that the 1938 prices were fixed after long but quite friendly negotiations. Prices of pulp were soaring at such a rate that it would have been impossible for the industry to have continued unless some adjustment was made in the contract price.

"This year, owing to the substantial curtailment in demand from practically all over the world, production has fallen to comparatively low levels."



MODERN MASK FOR OLD BUILDING

One of the older buildings at the Canadian National Exhibition will acquire both a new function and a new dress for this season's annual show. Originally the Transportation Building and in recent years the Ballroom Building for popular dancing, its entire exterior will be masked in an asbestos cement shell of modern design. Rejuvenated structure (top picture above) will be known as the United Kingdom Pavilion, and will house the communications and transport exhibit of the British Government. Original building is shown in lower photo.

Construction

Building With a Mask

Exhibition Structure is Modernized With Shell Cloaking Whole Exterior

New wrinkle in construction of exhibition buildings being used for this year's Canadian National Exhibition, points the way to adaptation of its simple, inexpensive method of erection to commercial buildings generally.

In effect, the old style, somewhat battered exterior of one of the earliest buildings on the C.N.E. grounds is being completely replaced without any reconstruction of the building itself. The entire exterior is being enclosed in a new outer shell of modernized design. The drastic alteration of the previous exterior will give the converted structure a more decorative, modern look without material sacrifice of its substantial appearance.

U. K. Pavilion

The building started out as the Transportation Building. In recent years it was officially designated as the Ballroom, being used partly by commercial exhibits, mainly as locale of dancing to American "big name" orchestras imported by the C.N.E. This year, with its face lifted and its interior completely refitted, it will become the United Kingdom Pavilion to house the imposing Transportation and Communication exhibit of the British Government.

In behalf of the British authorities, the Exhibition is spending upward of $75,000 to produce what is virtually a complete new building. This amount, while substantial, is but a fraction of the amount required to erect a new structure of the same type of construction as the $20 millions array of permanent buildings on the grounds. Mostly of steel and masonry, some of those built in recent years have cost $1 million or more apiece.

Of the total cost for creating the new pavilion, about $30,000 will go for erecting the new outer facing. This "mock front" will be built of panels of asbestos-cement, a new material which combines insulation against weather, resistance to fire, and lack of expansion or contraction in extremes of temperature. This last quality prevents any cracks or fissures developing in the outer surface.

The panels have a substantial appearance and weight, but can be cut to any desired size and bored in readiness for attachment to framework of a building. In the project at the C.N.E., they are attached with nails or screws to a wooden skeleton built around the old facing of the building and set out about 30 inches. The framework is braced to the original structure by beams carried through removed panes of lighting windows, and bolted to the inside wall of the building.

Modern Design

Outer face of the masking wall is to be finished with a special white paint. In combination with the slightly rough surface of the asbestos-cement panels, the paint will create an appearance similar to white stone. The entire exterior will be floodlighted, giving the Pavilion a striking appearance at night. The design of the new building is in modern, severely simple style, without ornament.

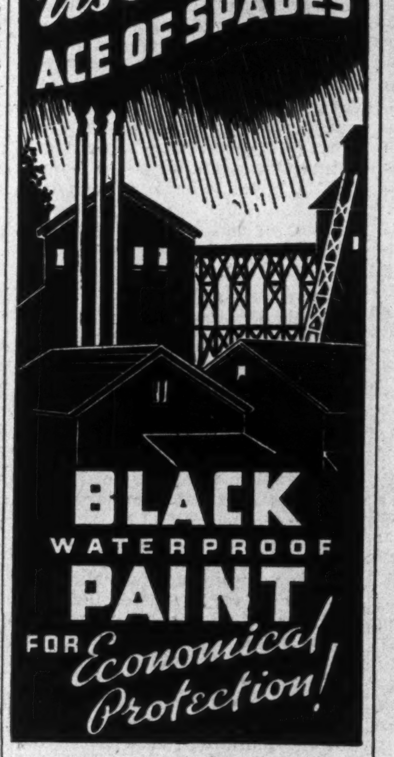
One advantage of asbestos-cement is that the panels can be dismantled after the building has served its purpose, and used again. This means that an exhibition structure built with such panels, or a "mock front" such as is being used at the C.N.E., can be taken down and re-erected in a new design. Or the used material can be used for a new building elsewhere.

Because of Toronto building bylaws the United Kingdom Pavilion at the Exhibition is being created under a temporary-construction permit. Should the material prove satisfactory during the coming Exhibition season, however, it is possible that efforts may be made to retain the "falseface" on the building, or to utilize similar methods of rejuvenation on other buildings for future Exhibitions.

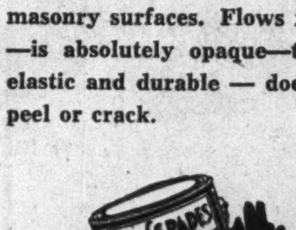
Asbestos-cement was extensively used in housing the Empire Exhibition at Glasgow this summer.

Use of the panels is not confined, however, to buildings for temporary expositions or changing exteriors of permanent buildings at annual shows such as the C.N.E. The panels can be made with special joints attached so that they will resist rain and other moisture indefinitely, and thus can be used for permanent construction.

Developments such as this, in housing expositions of recent years in temporary and demountable, but solid structures, may modify the policy of the Canadian National Exhibition to erect only substantial permanent structures.



With Ace of Spades you can make any surface—metal, wood or masonry—highly resistant to the attacks of acids, gases, moisture, rust and other corrosive agents. Ace of Spades is the most economical paint for protecting boiler fronts, smoke stacks, breechings, towers, gutters, penstocks, flumes, bunker rooms, metal roofs and siding and other metal, wood or masonry surfaces. Flows freely —is absolutely opaque—tough, elastic and durable — does not peel or crack.



Alexander MURRAY & Company LIMITED

MONTREAL TORONTO HALIFAX
SAINT JOHN WINNIPEG VANCOUVER

Affiliated with Dominion Tar & Chemical Co. Limited—Canada Creosoting Company Limited—Fibre Conduits, Canada, Limited.

Construction World

Profit in Comfort

Realization of the concrete profitable results of air-conditioning installations in commercial buildings is growing in the business and industrial world. Conception of air-conditioning as purely a mechanism of personal comfort is being replaced by appreciation of its results in the way of increased patronage, better employee efficiency, and reduced building maintenance cost.

By increasing comfort and healthy working conditions for factory workers, air-conditioning has curtailed careless handling and damage to goods, and decreased errors of office employees. It is also pointed out by E. C. Williams, air-conditioning expert of Canadian General Electric Co., that greater cleanliness of conditioned air cuts costs of cleaning, maintenance and redecorating, and preserves furnishings and merchandise in better condition.

Canadian installations in recent years, said Mr. Williams, had ranged all the way from that in an 800 cubic-foot processing room in a B. C. pulp plant, to the 20-story Victory Building in Toronto.

* * *

Demand for Materials

Despite the substantial slackening of new construction activity so far this year, output of building materials has held up remarkably well, and in some fields has shown encouraging increases. For instance, cement production for the first four months of the year shows a 12% increase at 873,104 barrels, and value of clay products output was slightly over the same period of 1937. Possible explanations are that there is a considerable carryover of work from projects initiated last year, or that distributors are keeping stocks at a good level in anticipation of better building volume.

* * *

New Factory

Modern features of factory construction are embodied in the new Ford assembly plant at Burnaby, B.C. Costing $550,000, it is the first major auto production plant in the province. Maximum of light and ventilation is provided by six flat-topped monitor roof units. Temperature in offices and showrooms is controlled by concealed radiation, and circulation of filtered, thermostatically controlled air.

Projecting from top walls of the plant is a monorail from which can be suspended a swinging platform for window washing, painting and repair work. Factory floor is of woodblock construction utilizing B. C. creosoted fir.

H.I.P. Loan Total $12.1 Millions

Canadian cities and towns of 5,000 population and over continue to contribute 75% of total loans under the Home Improvement Plan, it is shown by latest bulletin on urban H.I.P. loans. Up to May 31, such loans amounted to $12.1 millions out of grand total at that time of nearly $16 millions.

Centres in which loans have passed the $200,000 mark are as follows:

H. I. P. Loans in Cities, Town
(As of May 31)

	No.	Amount
Toronto	4,309	$1,649,412
Montreal	2,068	1,070,798
Winnipeg	1,479	563,976
Edmonton	849	464,568
Kirkland Lake	503	385,797
Ottawa	723	350,454
Vancouver	1,903	550,365
Timmins	492	347,253
Calgary	814	259,452
Sudbury	436	258,026
Hamilton	890	255,377
Windsor	679	250,272
London	692	236,783
Saint John	491	205,352

Building Volume in U. S. Moves Upward in June

Volume of building activity in the United States in June showed an upward trend, according to Dun & Bradstreet's report on building permits in 215 American cities. The total was nearly 13% higher than the May figure, in contrast to usual absence of any seasonal May-to-June change. The June permits were only 7.5% below June, 1937, compared with a 21% decline in May under May, 1937.

The favorable result was contributed largely by New York City, where permits jumped to a level 60.5% ahead of May and 88% above June of last year

New Building

Guardian Trust Co., Montreal, has awarded contract to **Foundation Co. of Canada** for reconstruction and enlargement by three stories of its building on St. James Street.

Ontario Public Works Dept. has awarded contract for construction of further units for the Ontario Hospital project at St. Thomas, including administration, three receiving hospital sections, and one unit of surgical building. Contracts will be awarded later for nurses' residence, laundry building, superintendent's residence, and other structures.

Ontario Hydro Commission has awarded contracts for townsite construction projects at its power developments at Cameron Falls (Nipigon) and Abitibi Canyon in Northern Ontario. The former project will entail outlay of $140,000 and the latter, $85,000.

International Harvester Co., Hamilton, Ont., has acquired property in east-central section of Toronto and plans erection of building to accommodate production, distribution and administration facilities in Toronto district.

Stanstead United Church College, Stanstead, Que., has ordered plans drawn for replacement of buildings burned down last May; expenditure contemplated is $200,000.

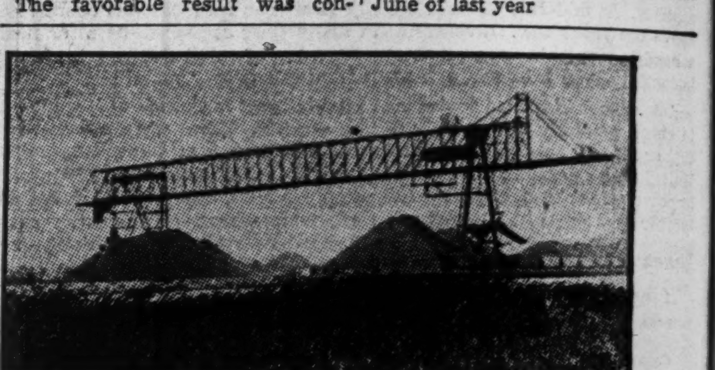
Reported by Engineering & Contract Record:

Sisters of Charity, Edmonton, are having plans drawn for $400,000 hospital project under consideration.

Department of Public Works of British Columbia will supervise work under $169,000 contract for motor vehicle building at Vancouver awarded to Carter-Halls-Aldinger Co.

Evans Construction Co., Toronto, will erect $300,000 apartment house on St. Clair Ave. W., in addition to several smaller apartments in other parts of North Toronto.

Chrysler Corp. of Canada is building $150,000 addition to its No. 3 plant at Windsor.



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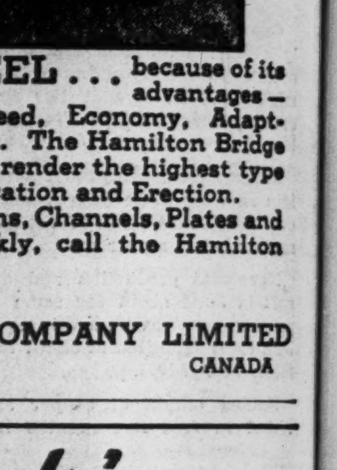

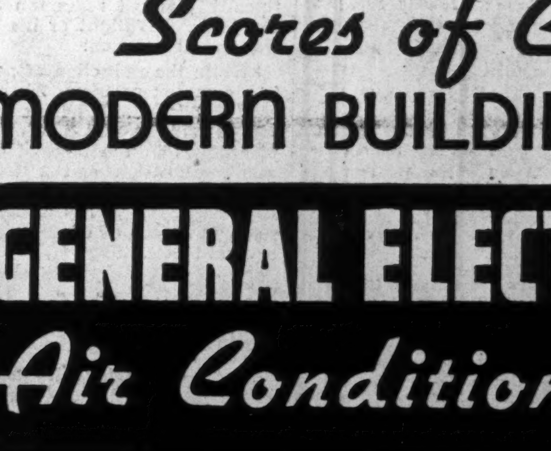

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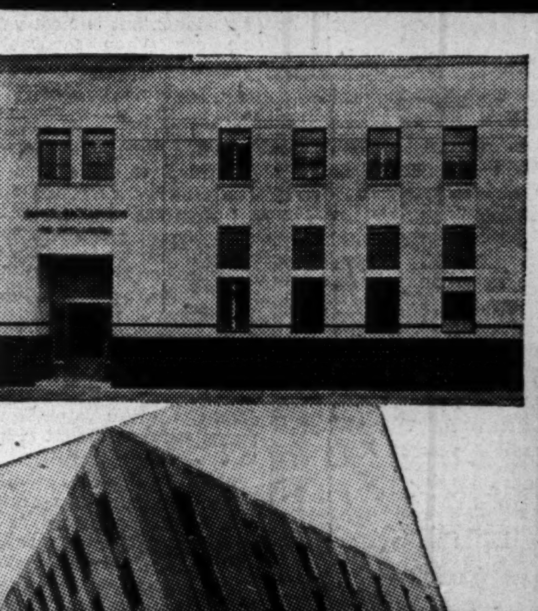

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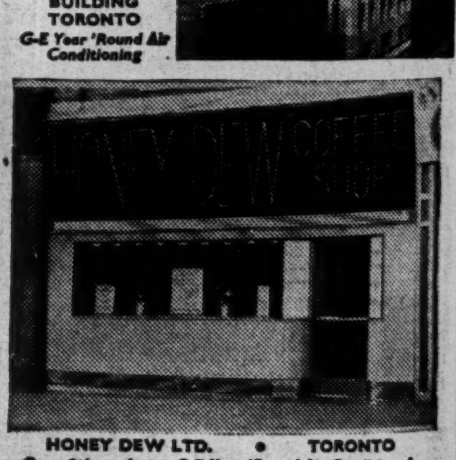

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Down Came the Taxes

The White Spot Cuts Taxes 33% by Real Economy

No Debt, no Income, Sales or Nuisance Levies

By **R. A. FARQUHARSON**
Staff Writer, The Financial Post

Nebraska is the state that says no and means no.

It is the one area on this continent that has no debt, no sales tax, no income tax, no nuisance taxes.

It could teach even the Maritime Provinces a lesson in thrift.

Nebraska calls itself the White Spot and is so proud of its record that it has spent $70,000 this year to advertise it nationally. But the money came from private sources and not from the state treasury.

Motoring through other states en route to Nebraska, where I went to find out how that state does it, and see if there were lessons we could learn in Canada, I was told many times: "Sure, they have no debt, but have they anything else? There must be a catch in this White Spot business. Take a look at their roads, their public buildings."

Lives Within Its Means

If there is a catch I failed to find it. Statistics do not show it. The truth is that Nebraska is not a wealthy state and Nebraskans know it. It does not undertake services it cannot afford. Having no debt, it can control its expenses. When depression comes or drought dries up the taxpayers' source of income, state expenses are slashed. Nebraska may be parsimonious about indigent relief, but it knows and enjoys tax relief.

But what about the roads? One of the first persons I met in the strikingly beautiful capitol building at Lincoln was Senor Podeska of the Argentine Highways Department, who has settled down for the summer to make a complete study of the Nebraska road building system.

They get more roads for less money than any other state in the two Americas, he told me. Nebraska has 8,000 miles of surfaced roads in a $111 million state highway system. Its black top roads are built at a cost of $4,000 a mile on a gravel base.

Senor Podeska was only one of a number of foreign visitors. Engineers have come from South Africa, Australia, Brazil, Cuba to study the economy of Nebraska's road building. The roads are not meant for heavy traffic, such as between Toronto and Niagara Falls. Traffic of 3,000 cars a day would be the Nebraska peak. And economies in maintenance have been developed to keep pace with new construction.

Having no debt, paying for the roads out of income as they are built, has kept Nebraska free from expensive splurges of road building. Wealthier Iowa, to the east, has a $97 million highway debt and some of the roads not yet paid for are obsolete. Nebraska contends that by slower methods roads are kept abreast of latest engineering developments. Nebraskans point to Iowa's interest bill of $2.3 millions. That would build a black top road clear across the White Spot, they say. Iowa's interest charges are two thirds Nebraska's construction costs.

Paid For When Finished

The highways are just a sample of Nebraskan economy. Everything is paid for when finished in Nebraska, for the state not only has a constitutional prohibition against debt, but its voters have an inbred dislike against paying interest, which is personal as well as political. They scoff at Washington's policy of borrowing into prosperity. Though there is a motor vehicle for every 3.3 persons, fewer are bought on installments than in any other state in the union.

It is not just a system in Nebraska. It is a state of mind, a definite philosophy as regards debt, and that other entirely different matter, taxes.

Nebraska—the white spot on the black map of America.

Nebraska is closely watching the Ontario Hydro System as it extends its $54.8 millions system of irrigation and power districts. Above is a section of canal excavation in one of the irrigation areas.

It started this way. Nebraska got its constitution in the seventies at the end of a depression and just after grasshoppers had destroyed another promising crop. Profiting from the double object lesson, the constitution framers wrote in the no debt clause. And ever since it has been known as the grasshopper constitution. While the system of government has been radically altered, the ban on state debt has remained.

There have been plenty of reminders through the years of the original reason for the ban on debts. Last summer a grasshopper flew right in the window of the governor's gorgeous office and ate a hole in Nebraska's most expensive curtains. The hole is still there, even though the governor's secretary does her best to hide it. Crops will have to be better before Nebraska budgets for new curtains.

Taxes Reduced

But a 70-year-old freedom from debt is rather old news and would not in itself cause the sudden interest in Nebraska, which has this year drawn feature writers from all over the States. It is Nebraska's militant attitude toward new taxes and its unique ability to reduce tax collections that have been making the headlines.

The grand total of taxes collected by the state, its counties, school districts, cities and other taxing units, has been cut from $66 millions in 1927 to $44 millions in 1937. And in the interval a social security programme, costing the state $5 millions a year, was adopted. This makes a hot, arid purely agricultural state the White Spot on the black map of America.

But how did Nebraska get that way?

Did it throw its burdens on Uncle Sam? No more than any other western state hard hit by drought, grasshoppers and falling farm prices. It owes no money to the federal treasury.

It had the head start of no debt burden, no fixed charges acquired from prosperous years to make the going difficult in hard times. Then it put in practice an economy so rigid there are some even in Nebraska who call it downright stingy. The jail prisoners were among the first to feel it. Thirty cents a day came off the cost of their diet.

Uncompromising economy is something different in politics and means something vastly different in politicians.

Frugal Governor

Governor Robert Leroy Cochran is certainly different. He is a tight-lipped bushy-eyebrowed Scot who never saw Scotland; an engineer who never dreamed of being a politician. With a long record of economy as state engineer—the senior civil service post in Nebraska—he became the nominee of the tax-fighting forces for governor when raids on the state treasury threatened. He has been governor since 1934, a period that has seen more new taxes added by other states than at any time in United States history.

Under the Nebraskan system the governor prepares the budget which can only be increased by a 60% vote of the legislature. The one-house legislature sits only every second year and the rest of the time the governor runs the state just like a business without interference.

There are no frills on the Cochran budgets; never a cent of an overdraft. As state engineer he built the $10 millions capitol and was $235,000 inside his appropriations. The capitol was built over a period of 10 years and was paid for when finished. The governor reminds you it would have cost $20 millions financed over 20 years at 5%.

Economies so small that they would hardly be noticed individually in Ontario, add up to a respectable amount. The cut in prisoners' meals, for instance, meant $8,000 a year. Then state, city and county primaries were set for the same day, a saving in election costs of $12,000. When the second chamber was abolished and the number of legislators reduced, the house voted $10,000 to rearrange the seats. The governor vetoed the bill. And was applauded for it.

Painful Taxes Favored

The governor does not believe in hidden taxes. Taxes, he says, should be direct, and painful. An added tax he sees only as an eventual added expenditure. "Keep taxes painful and you maintain a public pressure against new expenditures," he told me.

Nebraska has no debt, but what about its cities and its counties? It makes no difference where the debt is if it has to be paid by the same taxpayer. In 1929 the political subdivisions had a bonded debt totalling $113 millions. This has now been cut to $79 millions. More than half the counties are now entirely free of debt.

So far the cities have not got around to building their schools and sewer systems out of current revenue, but the trend is that way. Omaha, the largest city, now refuses to issue bonds without a vote of the people and there hasn't been a vote taken since this policy was adopted in 1932.

"What's the use?" say the city fathers. "We know that the voters would not say yes."

But how is Nebraska financed? How is the state budget of some $30.5 millions met?

First there is the state property levy now set at 2.54 mills. This is collected along with civic taxes. It is expected to yield $5.4 millions.

Then there is a levy, unknown in Canada, on personal possessions including motor cars, furniture, money in the bank, bonds, stocks. In a sense this is a levy on investment income but not an income tax. It is deducted from the pay of civil servants if they are 90 days overdue in paying. No license for a motor car is issued without this tax first being paid.

On gasoline, five cents a gallon is collected. From this, four cents is used for road purposes with 1½ cents going to help counties pay for county roads. One cent is diverted for old age pensions. Last year the tax netted the State $11.2 millions.

On every citizen between the ages of 21 and 50 a poll tax of $2 is collected.

In addition to the motor licenses there is a drivers' license fee of 75 cents, collected every two years. The newest tax in Nebraska, it is earmarked for the newly established highway patrol.

Liquor taxes yielded $1.8 million in 1937.

There are also license fees collected on beauty parlors, second-hand car dealers and real estate agents.

Such are the main sources of revenue of Nebraska without taking into account the increasingly large federal grants for all types of projects. Federal grants last year totalled $6 millions.

Taxes Earmarked

The taxes are all earmarked. The taxpayer knows to a mill where his money is going. He can't held knowing. It is not only printed on the tax bills, it is printed on the front pages of the newspapers and broadcast over the radio. In the state of mind built up in Nebraska, everything connected with public expenditure is big news and is treated as such. W. L. Pierpoint, president of the Association of Omaha Taxpayers, showed me 38 huge scrap books covering the last five years to prove it.

Furthermore, there is no lumping of revenues in a general pot and no switching of appropriations from one department to another.

This applies to counties and cities as well as the state. Counties have been recent transgressors and at the last session of the legislature some teeth were added. Any county official who now exceeds his budget item is guilty of a misdemeanor with a stiff fine and removal from office upon conviction. Furthermore, a contract made in excess of the budget figures is invalid. Officials and their bondsmen are responsible for warrants issued in excess of appropriations and must make good.

Then to make certain that accounting practices were easily understood and readily available for publication, the legislature adopted a uniform accounting law for all counties, with uniform report blanks. Anyone who has tried to make a study of Canadian municipal returns would appreciate the value of this.

The standard of public service is high in Nebraska. There has never been a major scandal. But some of the county organizations have come under suspicion and no chances are being taken.

Social Services

Old age pensions average $17.07 a month in Nebraska and the governor is battling a move to raise them to a flat $30. The national average in the U. S. is $19.30.

Governor Cochran feels that the more attractive the pension, the more people want it. "People will work hard to be eligible for a good pension at 65. They will think up means of distributing their resources. If we raised our payments to $30 there would be a sharp increase in the number seeking pensions."

Social services loom large at the moment in the White Spot. Judged by Canadian standards Nebraska lags in its social work, its education, its public health system. Even in Nebraska there are those who say that in this regard the White Spot is the nation's black spot.

The governor resents this. When questioned closely about public health and education, he said: "You and I may argue about what services a state should provide, but when you are poor and there is only so much money to go around, you cut your standards to your resources. There are many things we would like to have in Nebraska, but we are not having what we cannot afford. There is such a thing as providing relief by relieving the taxpayer."

So Nebraska leaves public health to the counties and cities. It does not do anything toward free serums, toxoids and clinics. It has no department of health and no grants to hospitals. It operates as a state responsibility mental and tubercular hospitals and provides assistance for crippled children.

In the last biennium—everything is figured on a two-year basis in Nebraska—the state hospitals got $5.9 millions; the university $7.5 millions and the four state normal schools $1.4 million.

Nor does the governor take kindly to criticism of the state's progress in education. He points out that Nebraska ranks second in literacy in the United States. "Isn't that your answer?" he said to me.

The state runs the university and the normal schools. Public and high schools are county problems and there is no state attempt to regiment the curriculum. State grants are nominal. To the suggestion that the schools are starved the governor pointed to expenditures. Of the total property levy, 43.9% goes to education.

Educationists Critical

Governor Cochran's chief critics are in university and educational circles. Dr. Homer W. Anderson, superintendent of Omaha schools, complains bitterly that the schools suffer "from lack of intelligent interest by our political leaders. Schools," he says, "have been the scapegoat to satisfy the insistent demands for tax reduction. The primary need in school finance in Nebraska today is a reasonable plan of state aid."

In university circles, where the financing is done directly by the state, there is a rumbling against economy. One professor said that Governor Cochran was more than thrifty. He was downright tight.

The governor later expressed regret that so many professors had been lost through inability of the state university to pay higher salaries. A few good crops would make a difference. "Haven't you," he asked, "a similar problem in Canada? Don't you lose outstanding men to larger institutions?"

Chary About New Deal Gifts

Alone of all the states, Nebraska follows the old precept of looking a gift horse in the mouth. It is chary of the gifts that the New Deal is so eager to make.

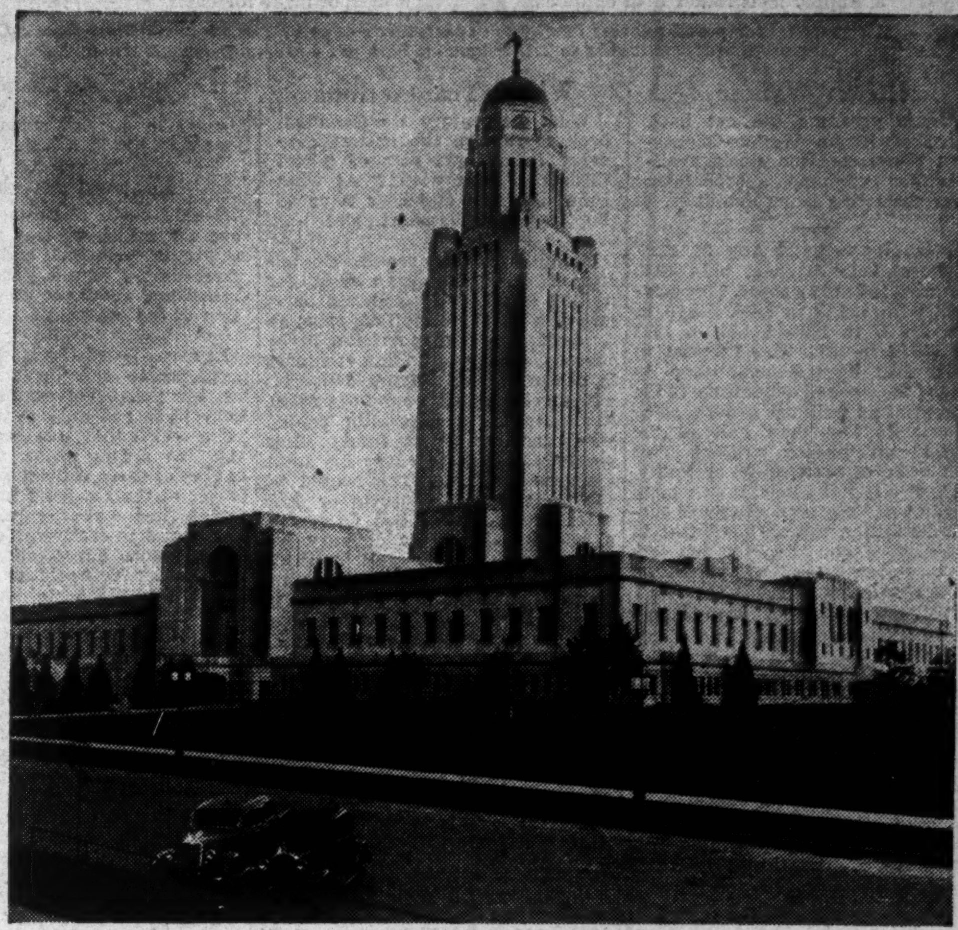
Not that Nebraska hasn't accepted its full share of federal assistance. But the State has been exceedingly cautious about embarking on the dollar-for-dollar partnership projects with the various alphabets.

As one official remarked to The Financial Post, federal funds establish expensive activities that cannot easily be discontinued. Nebraska does not want to raise its standards while there is danger that Washington may withdraw its grants and leave someone else holding the bag.

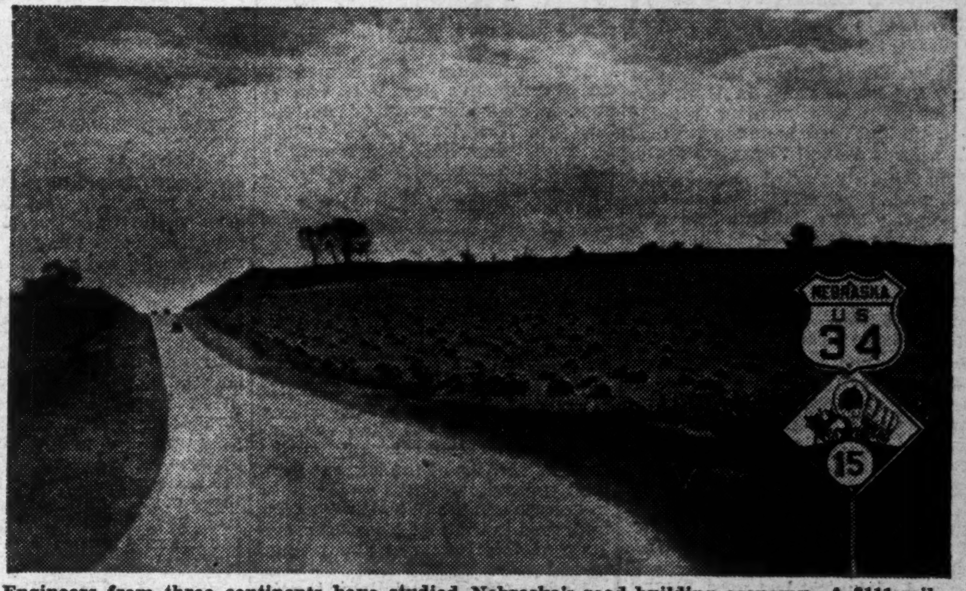
So, as far as possible, the P.W.A. and the W.P.A. and the other moneys have been expended in ways that are not habit forming. Nebraska doesn't like it, but even Nebraska is not refusing federal dollars. In Omaha there are 9,000 on W.P.A. work—a polite name for relief.

As stated before and as repeated many times in Nebraska, the state has no debt. I searched through blue books for a list of what the state did have, and failed to find a list of assets. Later, Governor Cochran explained that with no bonds to market there was no need for such a list.

Engineer A. T. Lobdell went to work and prepared an inventory of the physical property owned by the state for The Financial Post. Of the total of $159,375,315.70, highways represented $111,276,000 or better than two thirds. State buildings totalled $27,862,414.83. State-owned furniture was listed at $7.8 millions; State lands $7.6 millions. Grounds around public buildings, $4.4 millions. University buildings cost the State $6.5 millions; hospitals and similar institutions, $7 millions; normal schools, $3.1 millions.



The capitol at Lincoln—one of the continent's great buildings. Paid for when completed.



Engineers from three continents have studied Nebraska's road building economy. A $111 millions highway system built without debt. Governor Cochran personally designed the covered wagon highway markers. He wanted to use a buffalo but found Manitoba had chosen it first.

The total for fish hatcheries, parks and recreation was only $711,649, clear proof of the statement that Nebraska is not a tourist state and that tourists only see Nebraska en route to some place else.

Magnificent State Capitol

The State Capitol goes down on the list at its cost price—$10 millions. And no visitor from Canada would query that valuation. They use plenty of adjectives to describe its beauty in Lincoln and they have every right to use them. It is one of the continent's great buildings.

It is an amazing achievement for this frugal state and could only have been built in a period of bountiful crops. When conditions darkened before it was finished, a halt was called on the murals and statuary. Hence there are some blank panels in the vaulted main corridor.

It is part of the state's system that everything must be bought by contract. When it came to the sculpture, the graphic murals, the magnificent tapestry in the office of the governor, this was a poser.

Governor Cochran, who took me on a personal tour of the building, explained the solution. "For once," he said, "we forgot our policy and awarded the contracts to the highest bidder."

But aside from its great architectural distinction, its fame as the most beautiful state capitol in the United States, this fact stands out. In all the 10 years of its building the annual estimates were never exceeded and the work was completed with a surplus on hand.

Drought and Grain Prices

The crop experience of Nebraska in the last eight years has resembled that of Saskatchewan. A purely agricultural state, with Omaha (200,000) the largest city, its economy depends entirely on its crops.

Like Saskatchewan it has suffered from drought and grain prices. Its main crops are wheat and corn, but there is a large ranching section where its 77,000 square miles extend toward the foothills. In 1932 it reaped its last great crop of corn—200 million bushels—and the price dropped to eight cents. With 1934 came the first of a series of agonizing droughts.

This year everyone is happy—so far. The White Spot is the wet spot and the green spot. If calamity does not come with the August winds, Nebraska's economy may be as healthy as her tax situation.

What suits Nebraska may not be ideal for other states and provinces. Debt may, of course, be justified; may speed an essential public service.

But Nebraska's attitude toward debt and taxes has made possible a form of relief unknown in Canada—relief for the taxpayer.

Perhaps there is something in Governor Cochran's contention that taxes should always be painful.

White Spot Since December

Nebraska has been the White Spot since last December. George Grimes, youthful associate editor of the Omaha World-Herald, christened it and the name has spread across the States.

Grimes went to work on the job of letting Uncle Sam know about tax relief in Nebraska when his genial publisher, Henry Doorly, got the idea that Nebraska might broaden its agricultural economy by letting some outside industries share its advantages.

A small group subscribed $70,000 and the advertising campaign started. Here are a few of the headings:

What Is So Rare as a Balanced Budget?—A Haven for Tax-Ridden Industry.
What Is So Rare as a Balanced Budget—Nebraska Has One.
Nebraska Labor Likes to Work.
No Pickpocket Taxes in Nebraska.

Henry Doorly is satisfied with the campaign he fathered, though he failed to name a new industry in the White Spot. "They will come later," he told me.

In the meantime, the advertisements have created among Nebraskans a pride in achievements they had taken for granted. They have made the voters more than ever conscious of the absence of nuisance taxes.

Killed Tax Campaign

Mr. Doorly believes that the White Spot advertising killed the campaign being launched by Charles Bryan, former governor and brother of the late William Jennings Bryan, to exempt homesteads up to the value of $5,000 from taxes and make up the deficit by blackening the White Spot with Income, Luxury and Sales Taxes.

After the campaign was well under way, Mr. Bryan dropped his homestead exemption plans on the grounds of ill-health.

The homestead exemption would have applied to houses assessed at below $5,000 in cities as well as in the country. It was considered as patent an election bribe as Mr. Aberhart's $25 dividend. It aimed to ease the tax load of a majority of the voters.

"No wonder," Mr. Doorly remarked, "we view the White Spot campaign as a success."

Mr. Doorly admitted that the White Spot was a Hot Spot and asked longingly about the weather in Canada. His wife has just bought a farm at Lucerne in Quebec and Mr. Doorly regards Quebec as Canada's White Spot—in climate, anyway.

Mr. Doorly, an ardent supporter of Democrat Governor Cochran, is a stern opponent of Democrat President Roosevelt. His feelings seem to be shared by Nebraskan businessmen, which means much scrambling of political affiliations. Mr. Doorly believes that the White Spot campaign has done its greatest service in strengthening the position of the governor.

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Hiram Walker

Please give me the net book value of Hiram Walker-Gooderham Worts common stock, available for common shareholders after deducting prior liabilities.

Net equity value at Aug. 31, 1937, the latest balance sheet published, amounted to $32.97 a share. This compares with $26.58 in 1936, $23.09 in 1935, $19.09 in 1934, $14.37 in 1933 and $13.92 in 1932. This increase in equity has been accomplished in spite of the issue of debentures to the amount of $8 millions in 1936, since reduced to less than half of the original outstanding amount. This calculation of book value, or equity, is based on total assets, minus bond discount and expense, goodwill, current liabilities, minority interest in subsidiaries and depreciation reserves, debentures at par value and preference stock at $20 a share.

The company had 724,004 common shares outstanding at the end of last August.

Late in 1937 the company's subsidiary operating in Scotland issued £1 million in 4½% guaranteed debenture stock and an additional £500,000 last April.

The figures which we have quoted you for book value on the common stock, of course, do not take these bonds into consideration as a balance sheet giving effect to this financing is not available.

Dunrobin Ltd.

Would you kindly advise me of the present standing of the stock of Dunrobin Limited?

We would hesitate to recommend the purchase of stock in Dunrobin Ltd. at the present moment. We understand that there is no bid but that it is offered around 75 cents a share.

The company started operations in 1933, and, because of the necessity of properly aging its liquor, no sales were made until 1936. Probably it would experience considerable difficulty becoming established in its field, although its products, which include brandy and some other liquors, have been listed with the Ontario Liquor Commission.

In April of this year a change in the company's capital structure was under consideration, but so far we have not been able to get details of proposals.

In the eight months ended at Aug. 31, 1937, the company had a loss of $13,399, and carried forward a deficit of $10,211. Sales during 1936 were $29,349 and for the eight months to the end of August last year, $11,600. The company is a comparatively new venture and the possibilities of profit from the manufacture and sale of brandy, have hardly been proved yet.

Wheat Transactions

What percentage do Canadian brokers require the customer to carry in a short sale of wheat futures or cash wheat? At what time does the customer have to buy, to cover the short sale?

Canadian brokers require a minimum margin of 10 cents a bushel for trading in wheat for either a short sale or a purchase for long account. A short sale does not have to be covered, so long as trading continues in the particular month's deliveries which are selected for the operation. For example, a speculator selling short October wheat futures now would not have to cover his short sales until Oct. 31. This would be the same whether futures or cash wheat were being traded. Of course, a future contract for delivery becomes a cash contract as soon as the particular month arrives. For instance, in June one could trade in July wheat futures but as soon as July arrived, trading can only take place in cash wheat for July delivery.

Chile 6% Bonds

Has the Republic of Chile made any provision for payment of coupons of its 6% bonds, due Apr. 1, 1960?

By arrangement with the Chile government settlement of interest coupons was made as follows: For coupons due Oct. 1, 1931, and Apr. 1. 1932, $4.75 was paid for every $1,000 of 6% external sinking fund bonds; for payments due Oct. 1, 1932 and Apr. 1, 1933, $6.05 was paid per $1,000 of bonds, and for coupons due Oct. 1, 1933 and Apr. 1, 1934, $7.86 was paid for every $1,000 principal.

Coupons should be presented to the government's New York correspondent, Schroder Trust Co., 46 William St., New York, N.Y., with a letter of transmittal, which will be supplied upon request by the trust company.

Moore Corporation

Why has the stock of Moore Corp. not dropped as badly as that of F. N. Burt?

Business of Moore Corp. continues on a somewhat more even basis than that of F. N. Burt, and is not subject to the extreme seasonal fluctuations.

However, a 15% decline was experienced by the company in the first six months of the current year, with approximately the same results in Canada and the U. S. Business has improved in the past few weeks, and June of this year was about equal to last year.

Moore Corp. specializes in the manufacture and sale of forms and books, where F. N. Burt's products are largely paper containers. It still requires the same number of sales forms whether orders have a value of 15 cents or $1,000. Moore Corp. has proved itself more resistant to changes in general business conditions than has F. N. Burt.

Eastern Dairies

I hold bonds of Eastern Dairies and am rather worried about the safety of principal and interest. Accordingly, could you tell me something about the current position of the company?

Eastern Dairies has had many problems to contend with in the last few years. Government regulations have not only controlled the price which they pay for milk, but also the selling price, wages, etc. In face of these restrictions, earning power of the company has been affected. In the year ended March 31, 1938, bond interest was earned 1.79 times before depreciation and 0.49 times after depreciation. This represents a moderate improvement over that reported in the previous year, but is well below the average of recent years. While there was an improvement in earning power last year, the financial position of the company did not improve. Net working capital the end of last March amounted to $377,886, as against $718,097 a year ago. The adverse change in working capital position was largely due to substantial drop in the value of investments. At the annual meeting this month, shareholders were told that earnings so far this year are showing some improvement over last year and a further gain is looked for.

Montreal Apts.

Will you please find out for me the declared value of Montreal Apartments 5½% bonds? Also I would like to know how the company is getting along and if earnings are holding up.

Montreal Apartments 5½% bonds are currently bid at 59, with no offering price. The fact that there is such a heavy discount on these bonds indicates there is more than an average degree of speculation attached to them. Many real estate bonds are in disrepute these days. Montreal Apartments 5½'s are regarded as being well above the average. Last year the company covered the interest charges on its first mortgage bonds 1.14 times before depreciation. For the current year up to the end of May, interest charges were covered 1.08 times on the same basis. The sinking fund on these bonds has been slightly modified, but they still carry the personal guarantee of the Hon. P. R. DuTremblay.

F. N. Burt

Why has the stock of F. N. Burt dropped to its present price?

We do not believe that conditions with F. N. Burt Co. should cause too drastic a change in sentiment with regard to the company's stock. It is quite true that the dividend was reduced from 50 cents a share quarterly to 30 cents a share in January of this year, but there is every reason to believe that the company will be able to maintain the present annual rate of $1.20 on the common.

Its financial position is strong and earnings in 1937, in spite of a decline in the last half of the year which is normally the most important for the company, were equivalent to $1.59 a share on the common.

Further decline in sales occurred in the early part of this year, particularly in that portion of the business done in the United States. We are informed, however, that already the company has noticed a change in sentiment as a result of the reversal of business feeling which is best shown by the rise in the stock market of the past two or three weeks. This, they are hopeful, will last into the last half of the year which is normally the season of greatest sales.

Algoma Summit

What is the connection between Algoma Summit and McCarthy-Webb Goudreau? Please advise me of the progress which Algoma Summit is making at present.

Algoma Summit Gold Mines took over the property of McCarthy-Webb Goudreau Mines. The McCarthy-Webb holdings in the new company are one share for every 2 2/5 shares held by McCarthy-Webb. This is apparently the connection between the two companies to which you refer.

Last report from the Algoma Summit property was that production was nearly covering operating expenses. You may recall that this company's consulting engineer said in January last that with $100,000 made available for the sinking of a vertical shaft to 475 ft. and lateral exploration at depth, profitable operation could be realized by the fall of this year, providing that drill intersections obtained at 400 ft. were carefully developed.

For the first quarter of this year, the company reported production at $46,833. Until further work is done, it is not planned to sink a vertical shaft. Ten veins have been explored recently, and lateral exploration is being carried on at the 200-ft. level, following completion of the shaft to that depth.

Southern Canada Power Has Drop in Earnings

MONTREAL.—The steady gain in net earnings reported by Southern Canada Power in recent months was checked during June. In that month gross income was off about $3,500, while expenses increased nearly $5,000, resulting in a surplus after all charges of only $146 compared with $7,735 in June, 1937.

As a result of the reversal of form, cumulative returns for the nine months ending in June show a surplus, after charges, at $43,416. This compares with $24,291 in the same period a year ago.

The company has received permission from the Quebec Electricity Board to eliminate from its balance sheet the item of unamortized bond premium, discount and expense.

This item was carried among the assets at $672,000 and will be written off against capital stock.

NEW DIRECTOR

W. Ralph Salter, K.C., of the firm of Salter, Stapells & Sewell, Toronto, has been elected a director of the Crown Trust Co. Mr. Salter is a well-known barrister in Toronto and a director of a number of Canadian companies.

Canadian Dredge Defers Dividend

Directors of Canadian Dredge and Dock Company have decided not to take any dividend action until later in the season, it is announced. The disappointing volume of work in sight for the year is stated to be responsible.

The company has one complete dredging unit engaged on the St. Lawrence work where it will continue until the end of the season. A number of contracts have been obtained on the Great Lakes but these are comparatively small in volume.

It is hoped that by early fall they will be in a better position to consider the matter of earnings and dividends.

Last year, Canadian Dredge paid two dividends of $1 a share and in 1936 paid a bonus of $1 a share as well.

United Towns Refunds Bonds

Newfoundland Utility Co. Increases Funded Debt by $100,000

From Our Own Correspondent

MONTREAL. — Royal Securities Corp. is offering $650,000 first mortgage 5% bonds of United Towns Electric Co., St. John's, Newfoundland. Purpose of the issue is to provide fund for redemption of the company's present 6% bonds which have been called for redemption on August 15, and to provide additional working capital.

On Dec. 31 last United Towns Electric had outstanding $281,000 of series A bonds and $272,500 of series B bonds, a total of $553,500. Thus, the funded debt of the company will be increased by approximately $100,000 by the refunding operation. The redemption price of the series A bonds is 105 and of the series B bonds 102.

The new bonds are payable in Canadian funds only.

$650,000
United Towns Electric Co. Ltd.
First Mortgage 5% Bonds

Dated: July 1, 1938. Due: July 1, 1958.

Company—Manufactures and distributes electric power on the Avalon and Burin peninsula, Newfoundland. Serves 90 communities and Wabana mine of the Dominion Steel and Coal Corp. Owns five hydro-electric plants with an installed capacity of 10,500 h.p.

Capitalization—	Author.	Issued
First mtge. bonds*	$1,000,000	$650,000
7% & 8% cum. pref. stock	500,000	500,000
7% non-cum. pref.	2,000,000	453,430
Common stock	500,000	152,400

*Public Service Electric Co., a subsidiary, has outstanding $201,430 of 5% first mortgage bonds which are guaranteed by United Towns Electric.

Earnings — Have always been sufficient to meet bond interest. Earnings available for bond interest in 1937, before charging bank interest and depreciation, were $92,102, equivalent to 2.8 times interest requirements of $32,500 on the new issue.

Assets—Fixed assets are carried in the balance sheet at $1,707,204 against which a depreciation reserve of $113,322 has been provided. Total assets are carried at $1,976,506.

Sinking Fund—Annual payment of 1% of principal amount of bonds, commencing July 1, 1940.

Callable—At 104 to July 1, 1942, premium thereafter decreasing by ¼ of 1% annually.

Offering—By Royal Securities Corp. at 99 and accrued interest.

Duplessis Ready to Name Montreal Tram Enquiry Board

From Our Own Correspondent

MONTREAL.—Terms and conditions of the agreement entered into between Montreal and the Montreal Tramways Co. in 1918 whereby the latter secures a fixed return on its capital investment, will be investigated by a three-man commission, the personnel of which will be announced by Premier Duplessis this week or by the end of the month at the latest.

In the early part of 1937 a bill was passed by the legislature providing for a commission to revise the tram agreement. In the interval nothing has been done to implement the legislation, largely because the company made a cash payment of $1,000,000 to the city in lieu of rentals which would be due under the contract if earned.

The 1918 agreement among other things provides for a fixed return to the company on its capital investment. There are various charges against earnings. After these are paid, the city is entitled to an annual rental of $500,000. The latter payment is a fixed charge only if earned. Unfortunately for the relations between the company and the city, the annual rental has been unearned and unpaid in recent years. Consequently there has been an agitation to reduce the rate of return to the company to 6%, or to lighten other charges, so that the city will receive its rental regularly.

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15 King Street West, Toronto

Martin Bird Ore 158,800 Tons

Management Will Concentrate on Further Development

Ore developed on three levels at Martin Bird Gold Mines to the 375-ft. level is estimated to amount to 158,800 tons gross. Of this, 134,500 tons are developed ore averaging $7.43 per ton and 24,300 tons probable ore averaging $6.66 per ton. The gross value of the total tonnage is $1,161,000, according to the annual report just issued.

The mine manager states that the ore lends itself very readily to picking and sorting and it is felt that millfeed can be improved materially by these methods. The company is operating at Larder Lake, Ont.

The ore developed is sufficient to feed a 150-ton mill for three years or a 200-ton mill for two years, it is stated. The management feels that it is better to concentrate effort on exploration work until the possibilities of the No. 3 ore zone are known.

The company's balance sheet shows current assets with a total value of $20,783 and current liabilities of $10,435 leaving, working capital of $10,348. The authorized capital is 4,000,000 shares of $1 par value of which 3,405,005 are issued, leaving 594,995 available for financing.

Converters' Meeting Routine

From Our Own Correspondent

MONTREAL.—Canadian Converters annual meeting was a routine affair; the directors being re-elected and reports approved.

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Common Sense Speculation—Future Effect of New Regulations

(Continued from page 1)

descending scale against the main trend, the attempt to sell or buy big blocks will have an abnormally sharp influence on quotations.

An important reason why short selling has always been unpopular with the public is not alone that it runs contrary to ingrained North American optimism, but because of the fear engendered by the remembrance of occasional spectacular "corners." The sensational Northern Pacific corner of 1901, when during the battle of the Harriman and Hill forces for control the stock shot to 1,000, from 160, can be recalled by old-timers. The memory of the Stutz "affair" in 1920, when the stock of the now defunct motor company rose to 391, from 100¾, is still fresh in the memory of the older speculators.

Place on top of such occurrences the new artificial market status brought about by SEC rules, investment trust operations and the banning of insider transactions, and it is easy to visualize a bear market in which the most rabid pessimist will be loath to operate for the decline.

The 1937-38 Down Swing

For the present generation of investors and speculators the course of the 1937-38 bear market is probably the most interesting to follow. The first phase was a decline of almost 29 points in a little over three months, March 10 to June 14, 1937. The natural query is: How could anyone know that the break was to initiate a bear market, especially when in the following two months the market recovered 25 points to sell within 4½ points of its March high?

The answer is that no one could be dogmatically sure. But after a rise of four years from Feb. 26, 1933, during which the Dow-Jones industrial-share average almost quadrupled from a low of 50.16, the chances were—on the time element alone—in favor of the decline being a precursor of a long downward movement. In three years alone prior to March 10, 1937, had occurred an almost uninterrupted rise during which the industrial-share average had doubled. It was time to be on the lookout for the unexpected.

Then in the late summer, when—if a bull market still prevailed—preparations to discount seasonal business improvement in the fall should have been taking place, came another lurch which carried prices below their lows. The second decline was the sharpest of warnings of the existence of a bear market.

With the second warning came the dynamic phase of the bear market. Prices sank gradually until mid-October, when a full-fledged panic prevailed with stocks breaking wide open and the volume of trading soaring above the 7,000,000-share mark. In the single week of October 18-23, over 22,000,000 shares of stock changed hands. Panics are always followed by temporary, automatic recoveries and, true to precedent, came a rally the following week of about 13 points. Less than a month later stocks were down 25 points to another new low. The autumn months brought the workings of the big forces of liquidation.

After the violent fall break ensued a gradual recovery featured by the conventional January rise which carried within four points of the peak of the "automatic rally" that followed the October panic. Then came a see-saw movement through February, followed by a fresh break in the closing days of March when the industrial-share average broke practically 16 points. Note here, however, that less than 8,000,000 shares changed hands in the five days of violent selling.

Little over two weeks later the market was up 22 points, an indication of powerful resistance to the forces of liquidation. Thereafter speculation fell into the doldrums. Five weeks of intense dullness set in. The stage was thus set for a reversal of prices, which, in a buying movement of stupendous proportions, lifted the industrial-share average in two weeks by over 25 points.

1929-32 Bear Market

The bear market of 1929-32, most disastrous on record, was quite different. To begin with, it lasted two years and eight months, as compared with some 12 months for the 1937-38 movement. For a rough rule of thumb, bear markets usually run from one year to one and a half years. A period of liquidation extending beyond 18 months or so usually betokens an extraordinary set of circumstances, such as prevailed in the greatest world-wide depression on record, 1929-32.

The first phase of the 1929-32 bear market came in the break from the high of Sept. 3, 1929, of 381.17 for the industrial-share average to 198.69 on November 13. On one since day, October 29, the volume of trading ran as high as 16,410,000 shares, and on another the tape ran over four hours late at the close.

Then came the most deceptive recovery that has probably ever been witnessed on the New York Stock Exchange, a rally of over 95 points to 294.07 on April 17, 1930. Though spread over a much longer period, it corresponded to the compressed rally of June-August, 1937.

In the spring of 1930 prices seesawed for a month or two and then worked gradually down through the summer and fall, until on Dec. 16, 1930, some 15 months after the 1929 peak, a new low was reached at 157.51, well below the first bottom of November, 1929. The following year, 1931, was dismal; 1932 worse, and not until July 8 of that year did prices bottom. Though for so extended a bear market no precedent exists, yet, who is to say that some time or other another liquidation as prolonged as that may not take place?

Going back to 1919 one finds more resemblance to the disconcerting bear market of 1937-38. Prices had hit their highs, 119.62, in November of 1919 in the post-armistice inflationary boom. First bottom came 30 points lower, Feb. 25, 1920, followed by rally to April 8. On May 19 prices penetrated the February low, sending up the second warning of a bear market, but, unlike 1937, violent liquidation did not get under way until late fall. The industrial-share average stayed in the middle 80's until early November. In December the averages broke to 66.75. Although the exact bottom of the bear market was not touched until Aug 24, 1921, at 63.90, the bear market, it can be seen, had really spent itself in a little over a year.

Now there are some marked differences in the characteristic of these three bear markets which account for their different performances. In 1937-38 the irritant was an extended inventory position, nothing more nor less. There was no commercial or speculative loan structure to be liquidated. In 1929-32 there were enormous speculative and commercial credit structures to be razed the world over. In 1919-21 there was the inventory problem, but no formidable debt structure to be torn down. The strong factor in 1919-21 was the surplus fat of war prosperity retained by corporations, still to be fried out in the form of dividends. On the latest occasion, 1938, there was the tremendous influence of managed easy money. Anyone studying fundamentals should be able to see why the 1919 and 1937 bear markets were short and swift.

Bear Money Made Quickly

Bear markets are fascinating to the avaricious because money is made so quickly, but let no one think that even bear leaders cannot be misled by the ease with which prices can be knocked down. In the early summer of 1932 the famous bear coterie of that time was pounding United States Steel common and privately telling friends that the stock would sell "down around the figure for Radio." Radio Corp. of America was then selling for about $4 a share and United States Steel was in the middle 20's. Every afternoon toward the close the bears would "turn on the heat" to bring about the break in price which, reflected in the closing quotation, would influence thousands of people.

It soon began to be noticeable, however, that liquidation did not follow in the wake of the bear manoeuvres. The fact was that the bear market had about run its course. Steel common, instead of joining Radio, more than trebled in price in just over a year. The bears in 1932 had simply forgotten the time element, just as the bulls had in 1929 and 1937. After 2 2/3 years of decline to July, 1932, a turn of the tide was bound to be close at hand.

Another story will illustrate how corrosive may become the philosophy of pessimism. Early in 1933, when alert speculators first began to recognize the speculative potentialities of gold shares, a famous bear took a number of friends to Canada. There some of the best Canadian gold mines were inspected. When it came time to return from the gold mining district to the States, the host of the party suggested a visit to the International Nickel properties.

Several guests, anxious to return to their desks, demurred at staying longer, but some of the impatient were told that the trip would be worth while in order to see the "greatest white elephant on the western hemisphere," i.e., the famous Frood mine in Ontario. International Nickel, then selling at $9 a share, was in complete disrepute. Yet it was to turn out to be the international investment favorite in the following five years and the steadiest mining issue on the New York Stock Exchange throughout the 1937-38 bear market. The moral of the story is that after a tremendous bull or bear market it is imperative that one acquire the perspective of a common-sense approach to values and to disregard the figures and conditions of the moment.

Changes in Preference

Just as women's hats reveal glaring changes in feminine styles, it takes a bear market to bring about changes in investment preferences. Measured solely by activity, studies show that the railroad stocks were the favorite dividend payers in 1901, but by 1910 had begun to slip in favor of industrials and utilities. By 1919 only two rails were among the 20 most active dividend-paying stocks, with the "war brides" dominating the list. By 1926 motor issues overshadowed all others. Utilities and metals outweighed all groups for 1929 and in 1937 metal and chemicals predominated. A record of 40 years' style changes in investments shows how vital and important flexibility is for success in the handling of securities.

Of late year investment trust portfolios have reflected the fashion of the day. Just contrast 1933 with 1937. In the earlier period the three most popular stocks were General Motors, American Gas & Electric and du Pont. Four years later the three most popular were International Nickel, Texas Corp. and Standard Oil of New Jersey—the first two being newcomers. Between 1933 and 1937 du Pont, J. C. Penney, three railroads—Chesapeake & Ohio, Pennsylvania and Union Pacific—two utilities—Public Service of New Jersey and Pacific Gas & Electric—Standard Oil of California and Liggett & Myers had disappeared from the list of the 15 most popular. While investment trusts can err badly, as the records show, portfolios pretty well reflect the rise and ebb of investment favor.

In an out-and-out bear market the stocks which logically should suffer the most are those with big inventories or big borrowings, or both, though borrowing in a period of abnormal money ease may be glossed over. Marginal producers in any field—copper, oil, steel and the like—will suffer. The so-called "leverage" stocks, where a heavy volume of fixed charges is an onerous burden on profit margins in a competitive business period, will necessarily shrink rapidly. Among seasoned investments a demonstrated lack of secular growth, which means a receding total business volume for the industry concerned, is something to watch out for. And, finally, there is the all-encompassing political factor that of late years has raised havoc with the utility and chain-store issues.

Though no species is more unpopular in Wall Street than the bear, it is necessary for security traders to recognize that bear markets will follow bull markets, just as hard times follow good. Try as industry and Government may, it is doubtful if the business cycle, or what foreign economists term "Konjunktur," can be erased.

Keep in mind that bear markets are swift and stunning and will probably be difficult to capitalize hereafter. That makes all the more imperative the search for the signs of the culmination of a bull market: big activity, widespread prosperity and careless national spending habits. Realize also that the only recognizable characteristic of the termination of a major liquidating movement on the Stock Exchange is a period of agonizing dullness in which stocks display a signficant immunity to bad news.

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Insurance

Cut Red Tape Foster Urges

Former Insurance Superintendent Gives Advice to U. S. Commissioners

"Sometimes the insurance commissioner is an official clerk, sometimes he is a judge, sometimes he is a lawgiver and sometimes he is both prosecuting attorney and hangman. He is partly executive, partly judicial and partly legislative."

With that quotation, Leighton Foster, former superintendent of insurance for the Province of Ontario, introduced his paper to the National Association of Insurance Commissioners meeting in annual convention at Quebec City.

Insurance commissioners or superintendents are literally the official go-betweens of public and insurance companies. They answer complaints from the public about agents and companies. In Canada they regulate agents and review policies which companies offer to the public. They are usually the authors of new legislation on insurance. They are the watchdogs which police the companies to see that the public is getting full protection at just prices.

Mr. Foster, now general counsel for the Canadian Life Insurance Officers Association, was speaking to the body which represents the insurance commissioners from every state in the American Union.

Avoid Hangman's Duties

"Cut red tape to a minimum," he urged. "Avoid being placed in the position of a prosecuting attorney and hangman if you possibly can.

"A commissioner should be particularly fair about his public statements. When he speaks for public consumption, he should tell the whole story, giving equal weight to both sides.

"He should cultivate recognized leaders in the insurance business.

"When reviewing balance sheets and records of company operation, size up the directorate and the management. Meet its directors and officers personally. If you conclude that they are honest and competent, you can frequently ignore the unsatisfactory features of the financial statement. On the other hand, if you reach a contrary conclusion, do not be misled by the apparently favorable and reassuring items of the balance sheet.

"Do not neglect your opportunities as a law maker.

Company Changes

"Do not be suspicious of a proposed change just because it is made by some insurance company. Nine times out of 10, there is no conflict between the public interest and the company interest.

"In the field of legislation, the offensive tactics of insurance and businessmen may be weak, but their defensive organization is strong. They may not be able to write their own code, but they can make a pretty good fist of opposing a code they don't like.

DOCTOR JOINS

Dr. F. A. L. Mathewson, of Winnipeg, whose appointment as assistant medical referee of the Monarch Life Assurance Co. is announced by G. C. Cumming, general manager.

Insurance Notes

A veteran insurance broker of Oshawa, William J. Davis, died in an Ottawa hospital recently, in his 83rd year.

* * *

Monarch Life announces appointment of George F. French, C.L.U. as manager of the company's Hamilton branch. Mr. French previously managed the Central Ontario branch since its inception early last fall, and has served as agent, supervisor and manager.

* * *

Air-conditioning in theatres will be one of the problems featured at the annual meeting of the association of Canadian Fire Marshals to meet at the Château Laurier, Ottawa, July 18. The following day the annual meeting of the Dominion Fire Prevention Association will be at the same place.

* * *

Why owners of light automobiles in Ontario pay 40% less for their automobile insurance than owners of similar cars in Quebec was one of the subjects discussed at a special meeting of the newly organized insurance branch of the Montral Chamber of Commerce. For a premium of $37.50 in the province of Ontario the Quebec policy holder must pay $62.50 for the same coverage, the committee says.

* * *

Celebrating the victory of the Toronto branch in winning the company's Davis Cup for 1937 production, some 100 guests of the United States Fidelity and Guarantee, including a dozen senior members of the Toronto Office, recently gathered at Bigwin Inn. Guests included Ontario Superintendent of Insurance McNairn, R. Howard Bland, chairman of the Board, Philip F. Lee, agency director, G. Porter Houston, actuary and Kenneth Woods, assistant manager of the New York office. Top golfers were Ralph McKay, Hamilton and Chester Bell, Toronto.

Insurance Plan Fight Starting

Australia Legislature Passes National Security Scheme

One of the most bitterly fought issues of the session, Australia's national insurance scheme, has finally got its third reading, but already the Government has had to promise a royal commission to investigate certain phases of the plan which will affect some 1,850,000 Australians and some 3,500 doctors.

All manual workers and all other workers earning under $1,460 per year are to be insured. Weekly payments of 75 cents for a man and 50 cents for a woman are divided equally between employer and worker.

In return for these contributions, they get medical treatment from a general practitioner for the insured person only—not his family. They also receive pay while sick ($4 weekly for men, $3 women) and additional allowances for children under 15.

The bill also provides for pensions to men at 65, women at 60, and pensions to the widows of insured men for life unless they remarry. Allowances for dependent children under 15 are also paid to persons in receipt of those pensions and where both insured parents die, the orphans will get $1.50 per week until they are 15.

The measure has been attacked by the Medical Association on ground that under the scheme doctors are to be paid $2.25 per year per person assigned to their care. This they claim is not enough. One political party is attacking the measure on the grounds that small farmers with low incomes and hired help should not be forced to contribute to the scheme.

B.C. Health Plan Is Still Studied

Director of Insurance Scheme Visits Europe

From Our Own Correspondent

VANCOUVER.—British Columbia appears to be no nearer adoption of a health insurance plan, even though the chief sponsor of the programme, Hon. George M. Weir, minister of health, is still convinced of its value.

Dr. Allon Peebles, still engaged as fulltime director of health insurance, has returned from a tour of Europe where he made a survey of various schemes. It is probable that at the next session of the Legislature, a new bill incorporating some of the amended proposals of Dr. Peebles will be submitted.

Criticism of the British Columbia health insurance act by Hugh H. Wolfenden, F.I.A., of Toronto, has not changed Dr. Weir's views. He says that Mr. Wolfenden was engaged by the government in 1935 to report on the advisability or otherwise of including cash benefits in the bill. The act as passed does not include cash benefits.

Dr. Weir challenges Mr. Wolfenden's contention that the bill is "actuarially indeterminable." He states that the bill was declared sound by S. H. Pipe of Toronto and Dr. MacLean of McGill University.

Insurance Problems

Burglary Insurance

Several people in our neighborhood have been victims of burglars recently and I have been thinking I had better get some burglary insurance. I understand that there is a variety of policies which can be bought. Is there much difference between them?

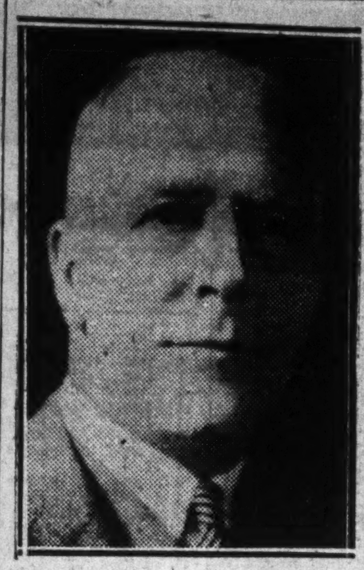
Broadly speaking, there is a policy for each type of risk. Most usual form for householders is the residential burglary, theft, larceny and robbery. This policy gives a broad coverage against all forms of stealing and insuring property commonly found in homes. Incidentally, burglary is defined as felonious entry into the premises by force of which there must be visible marks made by tools, explosives, electricity or chemicals. Robbery is unlawfully taking property from a person by force, violence or intimidation. Theft and larceny, generally, is stealing by employees.

This usual burglary policy in the form known as "100% blanket" indemnifies for theft of cash up to $50, loss of property of servants up to $50, loss of property in entrances, porches, verandas and in garages (excluding auto equipment) stables and other outbuildings is limited to $100 coverage. Personal hold-up is included with a limit of $500 on property, 10% of this amount on money or securities. Other possessions can be insured at so much per thousand of value.

Another type of policy being developed in this country is the "comprehensive" or "personal property floater." Both policies combine fire, burglary, windstorm, explosion and virtually all the coverages that the householder could need. The "comprehensive" announced by some Canadian firms recently may not be available just yet, and certain changes in the personal property floater policy used by most companies are understood to be under consideration.

Other straight burglary policies are available for different needs. These include, the mercantile safe robbery which pays for damage done by burglars and indemnifies for loss from within the vault or safe. "Interior office or store robbery" policy provides protection against damage and loss caused by burglars between 7 a.m. and 12 midnight. Paymaster robbery covers property intended for the payroll outside the premises between the same hours as above and 24 hours daily inside the premises.

"Outside messenger robbery" covers money, goods and securities not intended for the payroll on terms similar to the above. "Mercantile open stock" protects stock. "Safety deposits box" has its specialized purpose. "Storekeepers" policy covers hold up inside and outside the store, safe robbery, theft of goods or furniture, loss from kidnapping and robbing an employee and damage to goods or property.



ELECTED

Sidney W. Band, manager for Canada of the United States Fidelity and Guaranty Co., has been elected vice-president and chairman of the casualty division of the Canadian Underwriters' Association at the annual meeting held recently.

U. S. Insurance Sales Off 22%

Sharp Decline Over Last Year in 6-month Comparison

Sales of life insurance in United States for the first six months of this year were 22.6% less than for the same period, 1937. Amount for June was 27.5% less than for June of last year.

This was announced by the Association of Life Insurance presidents in a report summarizing new paid-for business—exclusive of revivals, increases and dividend additions—of 40 companies having 82% of the total life insurance outstanding in all United States legal reserve companies.

For the first half of the year, total new business was $3,684,769,000, a decrease of 22.6%. New ordinary insurance amounted to $2,345,497,000, a decrease of 22%. Industrial insurance was $1,107,183,000, a decrease of 19.5%. Group insurance was $232,089,000, a decrease of 38.9%.

For June total new business was $597,773,000, a decrease of 27.5%. New ordinary insurance amounted to $382,385,000, a decrease of 25.4%. Industrial insurance was $170,312,000, a decrease of 24.0%. Group insurance was $45,076,000, a decrease of 48.7%.

33 Graduates May Now Write 'C.L.U.'

Insurance Institute Sending Out Exam. Results

Thirty-three salesmen of life insurance have completed three years study and examination under the Institute of Chartered Life Underwriters and are now entitled to use the title, Chartered Life Underwriter with the letters C.L.U. following their name.

These graduates of the present session are given a broad training—under university auspices—in the theory and practice of life insurance, salesmanship, law, business finance and estate administration.

According to the Institute's announcement of examination results, about 79 were successful in the first year examinations.

Weekly Bank Clearings

	July 14 1938 $	Change Year ago %	July 7 1938 $
Halifax	2,599,951	+ 1.6	2,837,209
Saint John	1,807,196	+ 4.7	2,256,062
Moncton	679,816	— 8.7	748,360
Sherbrooke	678,566	— 6.5	859,985
Quebec	4,756,867	— 6.2	6,297,864
Montreal	98,589,032	+ 5.1	121,100,409
Ottawa	16,274,049	+ 1.8	24,372,280
Peterborough	674,687	—12.0	743,123
Toronto	98,654,758	—14.4	114,168,209
Hamilton	4,942,962	— 3.0	5,118,981
Kitchener	1,024,370	+ 6.8	1,168,266
Brantford	834,657	— 7.3	1,179,708
London	2,483,290	— 8.6	3,237,181
Sarnia	516,075	+17.9	506,109
Sudbury	1,139,974	+ 9.9	1,020,003
Chatham	520,221	— 2.9	649,798
Kingston	595,386	+11.9	680,119
Windsor	2,275,060	—15.9	2,960,957
Fort William	625,914	—22.5	777,631
Winnipeg	22,585,828	—35.7	27,609,345
Brandon	340,609	+14.6	391,071
Regina	3,306,793	—14.4	3,695,225
Moose Jaw	535,687	— 7.2	584,652
Saskatoon	1,071,285	—11.9	1,357,300
Prince Albert	287,223	—16.8	317,311
Edmonton	3,367,311	— 1.1	4,247,833
Calgary	3,800,769	—19.8	4,888,031
Medicine Hat	190,220	— 3.8	231,013
Lethbridge	434,295	+ 3.0	467,598
N. W'minster	637,746	—13.8	650,560
Vancouver	15,374,809	— 7.1	18,340,575
Victoria	1,734,602	— 0.5	1,899,288

The Wawanēsa Mutual Insurance Company

Canada's Largest Fire Mutual

A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: York & Harbour Sts., Toronto. Branches in Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal, Moncton.

FIRE WINDSTORM AUTO CASUALTY

United States Fidelity & Guaranty Company

TORONTO

Banking

Banking as a Career

More Opportunity Seen for Juniors Now As Banks Consolidate Their Position

"School's out."

In tens of thousands of homes across Canada the problem arises: "What will Johnnie do?"

How about banking? What kind of a future does it present? What kind of a life does it offer?

Don't dismiss banking as a poor pay job with a glum future. In fact, you will be rather lucky if Johnnie can get a job in the bank.

For two reasons: The great era of bank expansion is, for the time being, over. Thirty years ago, Canada's banks were setting up scores of new branches. Perhaps this growth went too fast.

For the past eight years banks have been closing unprofitable branches. At the end of June, 1929, there were 4,195 branches in Canada. Now there are only about 3,476. And the outlook, by and large, indicates that there will be fewer still for some years to come. And fewer branches, of course, means fewer jobs.

Certainty of Work

Second reason why it is hard to get bank jobs now — and which makes those jobs more attractive—is the fixed policy of the Canadian chartered banks that they don't fire people. The man who survives his apprenticeship has virtually 100% assurance that he has a job for life. Banks require such an extensive variety of talents that somewhere in the organization there is a place for almost everybody.

What happens to the staff in branches that are closed?

They get jobs somewhere else in the organization. If the manager is getting on toward retirement age, he may get leave of absence—with full pay—for a few years until he reaches normal age for going on pension. Usually it means that some new job must be found for an experienced man.

For this reason, most of the banks now have staffs that are "top-heavy" as one put it. They have a bigger staff than they need and they have more fully trained men than they can properly use. While this situation remains—and it will for years apparently—there is small room for juniors joining the staff.

"Let nature take its course," is the current bank hiring policy. Death will help. Many will move into other lines of business. Between the two the bank staff problem will eventually right itself.

Opportunity For Juniors

But it is just this situation which is so tremendously important for the junior who is fortunate enough to get a bank job now. It means—if he has "stuff on the ball"—that he is going to get ahead far faster than his banker father did or ever hoped to.

By the time Johnnie, who goes into a bank this year, will have had 15 years experience a great many of today's executives will have retired. So will a lot of the under-executives. In other words, just about the time Johnnie knows something about the business, the banks will be needing men to move up into the important jobs.

Not long ago this writer heard one bank executive wondering whether it would not be more consistent with modern conditions for the banks to use more girls on the routine jobs. "Then we would pick our young men solely for the promise they have as managers and executives."

Quickly he stopped. "Remember, we aren't saying we will. It just occured to me that might be a move for the future."

Here is another angle about promotions in a bank. Perhaps no other business has such a fine record for promoting men on basis of ability alone. The key posts are not handed on from father to son. Head offices are not family compacts. Almost invariably the record of the Canadian banks is that the men who go high in banking have started as juniors and have followed the routine, upward path, open to all. This type of big business at least remains 100% democratic.

University Graduates

Has the bank anything to offer the university graduate?

Sometimes. Every year some university graduates are taken into Canada's banks. Some at once go into special work at head office. But, eventually, for most of them their's is the same row as the high school junior's, though at better pay and with speedier promotions—if they pan out, which not all of them do.

It is easy to scorn the importance of security. In addition to a regular salary, year in and year out, remember if you are going to pension yourself off at 60 on half pay, that every month of your life working or not working, you are going to have to pay into your own savings fund or into an insurance company a substantial part of your weekly salary. In a bank, all this is looked after for you.

"But," you say, "$7 a week or whatever it is that Johnnie would start at in a bank is so awfully low."

Is it? What can he get elsewhere? How much per week is he worth in your business? Besides, he is getting a training in a highly technical profession. If he goes to university or business college, he has to pay out money for his education. In a bank he gets paid for taking it. Scores of men now heading other businesses got their business training in banks—free.

"Of late we have been criticized by judges," one banker observed. "Some clerk is in court charged with theft and we are scolded because this man has been with us 15 years and is still earning $20 a week. The fact that he landed himself in trouble is a self-evident answer as to why he is still earning $20 a week. He just didn't have the stuff bankers are made of."

Bank Chat

Arthur Hickling, Bank of Montreal branch at Blenheim receives the handsome trophy of the Chatham Daily News for his hole-in-one made recently at the Ridgetown Golf Course near Blenheim. He dropped his 280 yard drive on the third hole.

* * *

About 25 customers of the Canadian Bank of Commerce at Woodstock, Ont., made a presentation of a walnut desk and chair to Harry C. Campbell, the manager, who is taking over a branch in Toronto. The new manager at Woodstock is S. R. Wallace, coming from Burlington.

* * *

On the basis of the half year earnings of New York City banks it would appear that 1938 is going to be a considerably better year than 1937. Comparison of surplus and undivided profit account as of the end of June with the end of March indicates that about half of the institutions better their 1937 showing, while the other half recorded from moderate to substantial decline. This mixed showing is not particularly surprising in view of the erratic U. S. bond market.

* * *

"Should banks use radio advertising?"

No, is the conclusion a Chicago banker reaches after studying various advertising schemes used by various United States banks.

During 1937 and 1938 nearly 250 United States financial institutions were using radio for promotion purposes. The figures are not so impressive, of course, when it is remembered that there are more than 15,659 banks in that country.

Recently, The Financial Advertisers Association completed research in radio and found that 24% of the banks replying to the questionnaire had used radio but were discontinuing it. The reasons they gave were: too costly; results disappointing; no customer comments; station unsatisfactory; type of programmes disappointing.

* * *

One of the most prominent of Canadian financial officials to be stationed in London, Eng., during the great war years will shortly leave the services of the Bank of Montreal to retire. He is Dudley W. Oliver, who has been recently manager of the Drummond and St. Catharines branch Montreal and in the bank's employ 46 years.

As London banker at Waterloo Place he supervised more than 22,000 officers' accounts as well as some 4,000 accounts for nursing sisters. One of his duties during that period was to look after 200 officers who were prisoners of war in Germany.

Native of Halifax, Mr. Oliver was born in 1874 and entered the bank at Quebec in 1892. He has served the bank also in Halifax, Montreal, Toronto and Magog.

The Montreal Herald quotes him as saying that often when an officer was killed in service and a small overdraft was left in his name the amount was written off rather than make known to the parents or the officer's wife, the dead man's financial status.

Mr. Oliver won several championships in ice waltzing in Montreal, Toronto and Ottawa.

Bank of Canada Weekly Statement

Reducing its holdings of U. S. dollars and sterling appears to account for the main changes in the weekly statement to July 13 of the Bank of Canada. Supply of these two currencies is down $6.3 millions to $23.3 millions. On the liability side of the ledger partly balancing off this reduction is a $7.4 millions reduction in Dominion Government deposits with the central bank and a $2.2 millions increase in chartered bank deposits.

Balance Sheet

Liabilities	July 13 1938 $	July 6 1938 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	156,873,713	156,533,323
Rest fund	1,348,414	1,348,415
Depos.: Dominion	12,613,438	22,076,359
Banks	192,630,988	190,444,186
Other	1,856,296	2,077,610
Total deposits	207,100,722	214,598,155
All other liabs.	2,241,467	2,493,567
Total liabs.	377,664,316	385,073,460
Assets		
Reserve: Gold	181,158,595	181,213,507
Res. in sterling and U. S.	23,351,139	29,677,338
Other curr.	1,237	1,229
Total reserve	204,510,971	210,892,074
Subsidiary coin	331,309	329,533
Investments:		
Dom. govt. short	114,609,919	113,581,238
Other Dom. govt.	52,438,169	52,323,049
Other secs.	1,010,803	1,011,116
Total invest.	168,058,891	166,915,403
Premises	1,639,905	1,638,304
All other assets	3,123,240	5,298,146
	377,664,316	385,073,460
Reserve ratio	56.18%	56.82%

Foreign Exchange

Sterling continued weak on foreign exchange markets during the past week. Because Britain's trade is standing up well and her equalization fund is understood to be in good condition, observers see in the sterling decline additional weight for the rumor, analyzed on this page last week, that it is now the policy of the British Government to let the pound move downward toward its old level of 4.86.

Some believe this move points to devaluation in the United States. They point out that the pound drop rumor started with the U. S. announcement of a $40 billion deficit. If the American dollar were devalued, the pound could be expected to move up, probably around $5.50.

"It may be that England is just getting the drop in first," one professional exchange trader said. In other words, if the dollar were devalued, the upward impulse on the pound might not carry it far beyond recently usual levels, e.g. $5.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
July 16	1.00[illegible]	1.00[illegible]
July 15	1.00[illegible]	1.00⅝
July 14	1.00[illegible]	1.00[illegible]
July 13	1.00¾	1.00[illegible]
July 12	1.00[illegible]	1.00¾
July 11	1.00[illegible]	1.00¾
U. K. Pound	**Closing**	**Last Year**
July 16	4.95½	4.98⅛
July 15	4.96¼	4.97⅝
July 14	4.96½	4.97¾
July 13	4.96¾	4.98
July 12	4.96⅜	4.98
July 11	4.96½	4.97

Other Currencies, July 16

Australia	3.96¾	Italy	.0529
Belgium	.1701	Japan	.2892
Czecho	.0348	Jugoslavia	.0236
Denmark	.2212	N. Zealand	4.00
France	.0278	Norway	.2490
Germany	.4043	S. Africa	4.94¾
Greece	.0091	Sweden	.2555
Holland	.5534	Switzerland	2304
Hungary	.1966	Hong Kong	.3097
India	.3704		

INSURE SECURITY THROUGH SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE MONTREAL

Municipal Finances

Deschenes, Que.—Payment of interest on school commission bonds, due June 1 and July 1, 1937, and Jan. 1, 1938, has been authorized by the Quebec Municipal Commission. Payment will be made at the Provincial Bank of Canada.

* * *

Township of Bagot, Que. — The Quebec Municipal Commission has authorized payment of interest on coupons of May, 1938, on bonds matured Nov. 1, 1932, 1933, and 1934, and interest on coupons of June, 1935, on bonds matured Dec. 1, 1932, 1933 and 1934. Non registered holders of past due bonds are asked to send securities to Adjutor Potvin, Bagotville, Que. Payment will be made at the Banque Canadianne Nationale.

* * *

Edmonton, Alta. — Population of Edmonton was listed officially at 88,887, an all time peak and gain of 1,853 over 1937. Census have displayed a steady growth and the city is largest in Alberta, slightly larger than Calgary.

FIRE and WINDSTORM

THE SHIELD OF PROTECTION

PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY

ESTABLISHED 1884

SOUNDLY ESTABLISHED

This pioneer Western Company has stood the test through all the changing conditions since 1884. It has always maintained a strong position, and with an unblemished record of achievement continues to regard the future with confidence.

98

The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY

PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, CALGARY

The Independent Order of Foresters

Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND
Supreme Chief Ranger.

HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

A MUTUAL COMPANY

NORTH AMERICAN LIFE

Solid as the Continent

Head Office: Toronto, Ont.

ALL PROFITS FOR POLICYHOLDERS

MAKE YOUR FIRE INSURANCE pay you dividends . . .

BRANCHES ACROSS CANADA

Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Moncton, Winnipeg, Saskatoon, Calgary, Edmonton, Victoria, Kelowna, Vancouver

Last year $1,291,497 was returned to our policyholders. May we tell you how you may participate in these dividends in 1938? Write or telephone our nearest office.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

NON ASSESSABLE POLICIES ASSETS $7,683,067

Fire Insurance and Allied Lines

AGENCY INQUIRIES INVITED

NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

1832 1938

In the U.S.A. . . .

Our offices in New York, Chicago and Boston are gladly at the disposal of clients having banking transactions in the United States.

World-wide facilities in every department of banking

The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE

3816B

EXECUTORSHIP

ONE of the more important items of business for which this Trust Company was originally organized and on which it focuses its attention is that of faithfully and impartially carrying out the wishes of men and women as expressed in their Wills.

Our long experience in such matters should be of help to anyone having in mind the preparation of a Will.

Our Trust Officers will be glad to discuss your situation with you without charge.

MONTREAL TRUST COMPANY
61 YONGE STREET, TORONTO

Toronto Office:
J. F. HOBKIRK, Manager

Craven 'A' cork-tipped cigarettes in the 'easy-access' inner foil pack and sealed fresh in moisture-proof cellophane.

20 for 25c.
ALSO IN TINS 50 for 60c.
Same price as in England.

CRAVEN PLAIN (Without Cork-Tip) SAME FINE QUALITY AS CRAVEN 'A' C.A.
in Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality. 472

Affect my throat? not CRAVEN "A"
Made specially to prevent sore throats

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 18

Range 1938 High	Low	Div R'te $	Jly16 Y'ld %		Sales	Last July 11	Week end. July 18 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	28607	3.75	4.75	3.67	4.00
29	8½	.	...	Do. pref. 6%	5480	28	28½	25	27
38	25	.	...	Do. pref. 7%	....	(31 bid — asked)			
26	9	..	..	Do. cert. dep.	....	(26 July 8)			
*6½	2½	30c	...	Acadia Sugar	....	(— bid 4 asked)			
7	5	50c	...	Acme Glove	....	(5½ bid 6 asked)			
82	75	6.50	8.7	Do. pref.	....	(— bid 75 asked)			
11	8½	60+30c	..	Agnew Surp.	230	10	10½	10	10½
110	104	7	6.7	Do. pref.	70	105	107½	107½	107½
4⅞	2	.	...	Alta. Pac. Gr.	1065	4½	4⅞	4½	4½
28½	10½	.	...	Do. pref.	60	28	28½	28	28
100	75	.	...	Aluminum	....	(114 bid — asked)			
*130	118	6	...	Do. pref.	....	(103 bid 106 asked)			
3	2	.	...	Amal. Electric	....	(2½ bid 3 asked)			
30	25	.	...	Do. pref.	....	(25 bid — asked)			
26½	23	60+$1	..	Amer. Cyn. B.	....	(23 July 7)			
78⅞	47	2+1	4	Asbestos	1215	72⅞	75	70½	75
15½	11½	80+25c	6.7	Assoc. Brew.	272	14½	15½	15	15½
111	106⅞	7	6.3	Do. pref.	15	109½	110½	110½	110½
*6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
43½	34	1.68	...	Do. pref.	....	(— bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
163	160	8	4.9	Bk. Can. Nat.	34	160	162	160	162
223	195	8	3.6	Bk. Montreal	48	222	222	220	220
305	290	12	4	Bk. N. Scotia	39	300	302	297	302
249	227	10	4.2	Bk. Toronto	253	236	237	235	235
6	5	.	...	Barcelona	....	(4½ bid 14½ asked)			
9	4½	96c	...	Barker's Bread	....	(4½ bid 5½ asked)			
40	30	2.50	8.3	Do. pref.	....	(— bid 45 asked)			
11½	6½	25c	...	Bathurst Pr.	945	11	10⅞	10	10
5	2	.	...	Do. (B)	62	4⅞	4½	4	4½
2.63	1.15	.	...	Bawlf Grain	3100	2.00	2.63	2.12	2.50
25	15	.	...	Do. pref.	....	(25 bid 35 asked)			
2	2	.	...	Beath & Sons	....	(1⅞ bid 3 asked)			
15	8	.	...	Beatty Bros. A	65	10½	10	10	10
106	90	6	6.2	Do. pref.	5	96½	97	97	97
105	90	7	7.8	Do. 2nd pfd.	....	(— bid 97 asked)			
5⅞	2	.	...	Beauharnois	1476	4	4½	3⅞	3⅞
*107	100	4	3.8	Belding Cort.	....	(— bid 100 asked)			
135	131½	7	5.3	Do. pref.	10	133	129	129	129
166½	146½	8	4.9	Bell Telephone	1282	163	163½	161	162
11⅞	8½	50+12½c	7	Biltmore Hats	180	9	8⅞	8½	8½
5	3	.	...	Blue Ribbon	100	3½	4	4	4
35	29	2	6.4	Do. pref.	10	31	31	30	31
25	21	1.30	5.4	Brant. Cord. pf.	....	(— bid 25 asked)			
14½	7½	1	...	Brazilian Tr.	6741	12⅞	13⅜	12⅜	12⅞
7½	4⅞	50+50c	..	Brew. & Distil.	132	5½	6	5½	5½
6	5½	30c	...	Bright, T. G.	....	(5½ Apr. 7)			
80	80	6	7.5	Do. pref.	....	(77 bid — asked)			
21⅞	16⅞	1	4.6	Brit. Amer. Oil	2747	21⅞	21⅞	21½	21½
14	9	.	...	B.C. Packers	73	12	12½	12	12½
34	27½	2	6.3	B. C. Packers A	765	32½	31½	31½	31½
5½	2½	.	...	Do. (B)	15	5	4½	4½	4½
4	2½	.	...	Bruck S. Mills	640	3⅞	4	3⅞	3⅞
58	37	2+50c	4.5	Building Prod.	255	56	56	54	55
14½	9½	60c	4.3	Burlington Steel	75	14	14	14	14
3	2	25c	...	Burry Biscuit	....	(3 bid 5 asked)			
*80	30	3	9.1	Do. pref.	....	(16 bid — asked)			
23½	16½	1.20	6	Burt, F. N.	95	20	20	19½	20
				C					
*106	100	.	...	Calgary Power	....	(— bid 90 asked)			
87½	83½	6	7.1	Do. pref.	....	(84⅞ bid — asked)			
5	2	.	...	Canada Bread	65	4⅞	5	4½	5
92½	80	5	5.5	Do. pref.	5	90	90	90	90
46	40	2.50+12½c▲		Do. pref. B.	....	(46 bid — asked)			
9	5⅞	40c	6.7	Canada Bud	100	5⅞	6	5⅞	6
13	7	.	...	Canada Cement	1166	10⅞	11⅞	10½	11
110	84½	5+2▲	5.2	Do. pref.	384	96	97½	94	95
80	59½	1.50+2	4.5	C. & D. Sugar	70	75	80	75⅞	80
b20⅞	12⅞	.	...	Canada Dry	46700	19½	20⅞	19½	20½
17	9	1.25	...	Can. Forg. (A)	160	13	13	12	13
10	7½	.	...	Do. (B)	....	(8 bid — asked)			
30	30	.	...	Can. Iron	....	(30 Apr. 7)			
70	70	3.50	...	Do. pref.	....	(56½ bid — asked)			
36½	28	1.50+50	6	Can. Malting	290	33	33½	33	33½
20	17½	1.20	6.7	Can. Nor. Pr.	175	19⅞	18	18	18
110	103	7	6.7	Do. pref.	28	106	107	106	106
72	58	3	4.2	Can. Packers	205	68	71⅞	71	71
*7	1⅞	.	...	Can. Paving, pf.	....	(— bid 6 asked)			
150	128	8	5.9	Can. Perman.	2	130	135	135	135
7	6	50c	...	Can. Starch	....	(6½ bid 7½ asked)			
107	105	7	6.7	Do. pref.	....	(105 bid — asked)			
4⅞	1½	.	...	Can. Steamsh's.	1067	4	4½	4	4
16½	6½	50c•	..	Do. pref.	1548	15½	16	15	15½
17½	13	1.20	7.7	Can. Vinegars	10	16	16	15½	15½
67	49	.	...	Can. W. Cable	60	55	50	49	49
22	15	.	...	Do. (B)	100	18	17½	16	17½
97	97	6.50+10▲		Do. pref.	....	(95½ bid — asked)			
3	3	.	...	Can. Bakeries	....	(3 Mar. 9)			
30	25	.	...	Do. pref.	10	25	30	30	30
178	157	8	4.7	Can. Bk. Com.	80	177	174	165	173
2.50	1.10	.	...	Can. Breweries	1920	2.00	2.12	1.87	2.00
32	14	2	9.9	Do. pref.	685	21½	21	20½	20½
40⅞	28½	1.50+50c		Can. Bronze	765	38	40⅞	38	40⅞
106	103½	5	4.7	Do. pref.	....	(101 bid — asked)			
5⅞	4	.	...	Can. Canners	....	(5 bid 6 asked)			
18⅞	15½	1	5.4	Do. 1st pfd.	142	18½	18⅞	18½	18½
9	6½	60c	7.3	Do. 2nd pfd.	537	8½	8½	8	8½
16½	7½	.	...	Can. Car & F'y	19300	13	16½	12⅞	15⅞
29⅞	18½	1.75	5.9	Do. pref.	2990	27	29⅞	27½	29½
20	9	.	...	Can. Celanese	1090	12	13⅜	12	12½
107	90	7	7.8	Do. pref.	235	94	92	90	90
20	15	1	...	Do. Rights	30	17	17½	17	17
10½	6	.	...	Can. Convert.	55	10	9	9	9
76	63	4	5.8	Can. Cottons	50	63	68½	68½	68½
108	100	6	5.7	Do. pref.	....	(— bid 106 asked)			
35	22	.	...	Can. Dredge	160	25	25	24	24
102	100	6	6	Can. Fairb. pf.	....	(105 bid — asked)			
19	10	1.60	8.9	Can. For. Inv.	250	18⅞	18	16	16
155	100	8	8	Do. pref.	....	(— bid 103 asked)			
194	175	6	3.1	Can. Gen. Elec.	....	(185 bid 199 asked)			
8½	7½	50c	6.1	Can. G. Inv.	....	(8⅞ bid — asked)			
4⅞	2½	.	...	Can. Ind. Alc.	1125	3	3½	2⅞	3
4	1½	.	...	Do. (B)	273	3	3	2⅞	2⅞
209	178	3.25	...	Can. Indust. B	5	191½	209	209	209
161	155	7	4.3	Do. pref.	....	(175 bid 169 asked)			
1	1	.	...	Can. Int. I. Tr.	....	(— bid 1 asked)			
*90	70	5	...	Do. pref.	....	(— bid 63 asked)			
15½	13	1	7.5	Can. Lt. & Pr.	....	(12 bid 20 asked)			
10½	5½	.	...	Can. Locomo.	50	8½	10	10	10
1.55	.90	.	...	Can. Marconi	4875	1.45	1.45	1.35	1.40
16	10	50c	4.2	Can. Oil	....	(10½ bid 14 asked)			
120½	110	8	6.6	Do. pref.	....	(121 bid 123 asked)			
8½	5	.	...	Can. Pacific	19619	6⅞	7½	6⅞	7½
2.50	.50	.	...	C. Pr. & Pa. In.	48	2.00	2.00	.75	2.00
10	5	.	...	Do. pref.	50	10	8½	8½	8½
10	3	.	...	Can. Vickers	3225	8	9⅞	8	9
40	15	.	...	Do. pref.	760	31	40	32	39½
10	8	1	...	C. Wallpaper A.	....	(— bid 20 asked)			
12	12	1	...	Do. (B)	....	(12½ bid 20 asked)			
51½	50	2	4	Can. West'ho'se	....	(50½ July 8)			
3.37	1.05	15c	...	Can. Wineries	50	3.00	3.00	3.00	3.00
21	17	1.50	8.1	Can. Wire Box	5	18½	18½	18½	18½
3.15	1.75	.	...	Capital Estates	675	1.90	2.00	1.95	2.00
104½	98½	5	4.9	Carnation, pfd.	....	101½ bid 104½ asked			
6½	3	†25c	...	Catelli Food	....	(4 July 9)			
10	7	75c	...	Do. pref.	....	(9½ bid 10 asked)			
2	1⅞	.	...	Celtic Knit.	....	(1⅞ May 23)			
170	170	8	4.7	Cent. Can. L'n.	....	(— bid 185 asked)			
100	99	4	4	Chartered Trust	....	(90 bid — asked)			
.60	.25	.	...	Chem. Research	1050	.50	.55	.45½	.55
.70	.25	.	...	City Gas & El.	100	.40	.40	.40	.40
.35	.15	.	...	Claude Neon	310	.20	.20	.15	.15
1.30	1.17	12c	10	Coast Brew.	300	1.20	1.20	1.20	1.20
13½	6⅞	.	...	Cockshutt Plow	4090	11⅞	13½	11½	12½
1.85	.90	.	...	Comm. Alcohol	6110	1.50	1.85	1.40	1.75
4⅞	4	.40c	8.9	Do. pref.	455	4	4½	4¼	4½
5	4½	10c	...	Conduits Nat.	....	(4½ bid 5 asked)			
16	11½	1	6.7	Cons. Bakeries	165	15½	15½	15	15
8½	3½	.	...	Cons. Paper	20790	7½	8½	7⅞	8
15	10	1	8.5	Cons. Press	....	(10 bid 11⅞ asked)			
75	70	7	9.3	Cons. Sand. pf.	....	(80 bid 85 asked)			
64½	46½	50c+50c		Cons. Smelters	4461	59	61	58½	60½
199⅞	176	10	5.6	Consumers' Gas	98	180	180	179	179
82	68	7	9.3	Corr. P. Box, p.	....	(80 bid 74 asked)			
24	16	1+25c	5.7	Cosmos Imp.	80	21	22	22	22
105	101½	5	4.8	Do. pref.	....	(101½ bid 104½ ask.)			
20	16½	1	5.3	Crown Cork	....	(18 bid 19 asked)			
2	2	.	...	Crown Dom. Oil	100	—	2	2	2
39	29	4.50	...	Crow's N. Coal.	110	32	32½	32	32½
				D					
5½	3	25c	...	David & Fre. A	....	(5 bid 6 asked)			
*.50	.50	.	...	Do. (B)	....	(— bid 1.00 asked)			
14½	5	.	...	De Havilland	120	14	14½	13	14
71	65	.	...	Do. pref.	90	66	71	70	71
*10	2½	.	...	Disher Steel	....	(2⅞ bid 4½ asked)			
*18⅞	15½	50c	...	Do. pref.	....	(8 bid 16½ asked)			
16	11	1	...	Distill-Seagram	5560	15	15⅞	14½	15½
75	66½	5	7.2	Do. pref.	25	69½	72	72	72
..	..	.	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
*95	95	5	...	Do. pref.	....	(70 bid — asked)			
206	189	10	4.9	Dom. Bank	36	205	205	203	203½
36½	21	1.20	3.7	Dom. Bridge	4112	31⅞	36½	31	35½
20	16	1.50	8	Dom. Coal, pf.	465	18	18⅞	18½	18⅞
39⅞	21	50c	...	Dom. Engineer.	35	32	32	31	32
44	29	90c	...	Dom. Foundries	150	42½	42½	37	42½
102	98	6	5.9	Do. pref.	....	(99 bid — asked)			
110	96⅞	5	5	Dom. Glass	10	99	99	99	99
150	144	7	4.7	Do. pref.	....	(— bid 150 asked)			
*43½	33½	.	...	Dom. Oilcloth	....	(— bid 34 asked)			
2	1	.	...	Dom. Scot. Inv.	....	(— bid 1 asked)			
33	29	1.50	...	Do. pref.	....	(— bid 31½ asked)			
16½	9	.	...	Dom. St. & C.B.	21099	14⅞	15⅞	14⅞	15⅞
8⅞	4⅞	.	...	Dom. Stores	220	6	6½	5⅞	5⅞
10	4⅞	.	...	Dom. Tar & Ch.	1520	8½	8½	7⅞	7⅞
85	71	5.50	7	Do. pref.	10	78	82½	82	82½
70	58	5	7.6	Dom. Textile	212	65	69⅞	65	65
150	143½	7	4.9	Do. pref.	....	(— bid 145 asked)			
8½	3½	.	...	Donnacona P.A.	2095	7½	8½	7½	7⅞
7⅞	3	.	...	Do. (B)	357	6⅞	7½	6	7½
8½	4	.	...	Dryden Paper	425	8	8½	7½	7½
				E					
1⅞	1	.	...	East. Koot. Pr.	....	(1 bid 1½ asked)			
12	8½	.	...	Do. pref.	....	(— bid 13 asked)			
1.35	.55	.	...	East. Dairies	50	.90	1.00	1.00	1.00
6	3½	.	...	Do. pref.	55	7	8	7½	7½
17	12	1	6.9	East. Steel	1020	12	15	14½	15
105	99	7	6.8	Do. pref.	1	100	102½	102½	102½
54	54	7	12.9	East. Theat., pf.	....	(60 bid 84 asked)			
5	2½	.	...	Easy Washing	95	3½	3½	3½	3½
33	26½	1.37½	...	Economic Inv.	10	28	26½	26½	26½
15	11⅞	1.60+60c.		Electrolux	206	14½	15	14½	14⅞
3	1½	.	...	Enam. & Heat.	....	(2½ bid 3 asked)			
35	24	2.50	8.6	English Electric	....	(27½ bid 36½ asked)			
14	5	.	...	Do. (B)	....	(— bid 8 asked)			
8	5½	.	...	Equitable Life	10	6	7	7	7
8	6	60c	...	European El. A.	....	(8 bid 8½ asked)			
.10	.01	.	...	Do. Warrants.	....	(.01 bid — asked)			
				F					
8	3	.	...	Fairchild Air	30152	6½	8	6	8
24½	20	60c	2.5	Fam. Players	....	(— bid 22 asked)			
24½	19½	60c	3.1	Do. Vot. Tr.	75	24	19½	19½	19½
22	16	1+75c	9.3	Fanny Farmer.	1712	18⅞	18⅞	18⅞	18⅞
8⅞	5½	.	...	Fleet Aircraft	870	6	8½	6	7⅞
5	3	.	...	Fleury Bissell	....	(3 bid — asked)			
43	30	2.50	..	Do. pref.	20	32	35	35	35
19⅞	14⅞	1	5.1	Ford Motor A.	2076	19	19⅞	18⅞	19⅞
.50	.40	.	...	For. Pr. Secs.	200	.40	.50	.50	.50
15½	8⅞	50c	...	Foundation Co.	360	14	14½	13⅞	14½
20	9	.	...	Fraser Cos.	250	18½	20	18	18
21½	10	.	...	Do. Vot. Tr.	2423	19	20½	18⅞	20
40	37	.	...	Freiman, pf.	3	37	37	37	37
				G					
12½	6½	.	...	Gatineau Pwr.	550	11	11⅞	10	10
86½	83	5	5.9	Do. pref.	310	83½	84	83	83
4½	3	.	...	Do. Rights	295	4½	4½	4½	4½
8⅞	5	.	...	Gen. St. Wares.	8756	7⅞	8⅞	7	8½
80	45	.	...	Do. pref.	290	71	80	72	75
72⅞	52	2.50	3.9	Goodyear Tire.	405	60	64	59½	63½
59	51	2.50	4.5	Do. pref.	26	54	56	55	55
13	4⅞	.	...	Gt. Lakes Pap.	320	10	11½	10	10
33	16	.	...	Do. pref.	574	27	28	26	26
2⅞	1½	.	...	Gt. W. Saddlery	....	(— bid 2 asked)			
25	20	75c	...	Do. pref.	....	(— bid 25 asked)			
12	10	60c	5.4	Greening Wire.	60	11½	11	11	11
10	10	1	...	Growers' Wine.	....	(13 bid 13⅞ asked)			
8½	5	†30c	...	Gurd, Chas.	225	8	7½	7½	7½
104	102	7	6.9	Do. pref.	....	(106 bid — asked)			
8⅞	4	.	...	Gypsum, Lime	2095	7½	7⅞	6⅞	7
				H					
8⅞	5	.	...	Ham. Bridge	930	7½	8⅞	7½	8⅞
53	32	.	...	Do. pref.	50	41½	45	40	45
34	27	2+50c▲	6	Ham. Cot., pf.	....	(— bid 32 asked)			
1½	1	.	...	Ham. U. Theat.	....	(⅞ bid ⅞ asked)			
55	50	6	11.1	Do. pref.	....	(48 bid 50 asked)			
3⅞	2½	20c	...	Harding Carpet.	255	3	3	3	3
*5	2½	.	...	Hillcrest Coll.	....	(— bid 3 asked)			
*25	12	.	...	Do. pref.	....	(— bid 25 asked)			
17½	13⅞	1	6.2	Hinde & Dauch	415	15½	16	15½	16
20	20	.	...	Holt Renfrew	....	(14 bid — asked)			
*76	56	.	...	Do. pref.	....	(— bid 55 asked)			
.60	.30	.	...	Honey Dew	573	.40	.40	.30	.30
14	8	.	...	Do. pref.	30	8	8	8	8
18	10	.	...	H. Smith Pap.	746	16½	17	16	16
98	90	6	6.3	Do. pref.	95	95	95½	95	95
25	12	2	10	Humberstone S.	10	17	20	20	20
12	7½	.	...	Hunts (A)	....	(6 bid 10 asked)			
10	8½	.	...	Do. (B)	....	(6 bid 12½ asked)			
69½	57	4	5.8	Huron & E. Mt.	10	67	69	69	69
8½	6½	80c	...	Do. 20% pd.	25	7⅞	8	8	8
3½	3½	20c	...	Hydro El. Secs.	....	(4⅞ bid 6 asked)			
				I					
214	190	10	4.9	Imperial Bank.	68	200	203	200	202
19⅞	15	50+75c	7.2	Imperial Oil	8082	17⅞	17⅞	17½	17½
15⅞	13½	40+22½c	.	Imperial Tob.	4938	15½	15⅞	15½	15½
8	6½	6%		Do. pref.	10	7⅞	7	7	7
29½	23	2	7.3	Indust. Accept.	220	27	28	27½	28
23	20	1.25	...	Inter-City Bak.	....	(19½ bid — asked)			
42	40	6+2	...	Inter'c Coal	10	40	42	42	42
125	120	8	6.4	Do. pref.	7	125	120	120	120
22½	22½	1.50	6.6	Inter. Bronze	....	(— bid 21 asked)			
27	23½	1.50	6.2	Do. pref.	....	(24 bid 25 asked)			
.20	.20	†2c	...	Int. Coal & C.	....	(.20 bid — asked)			
b7⅞	3½	.	...	Int. Hyd. E. A.	6400	6⅞	7	6½	6½
9½	4½	.	...	Int. Metal Ind.	575	8	7½	7	7
81	60	6	7.4	Do. pref.	20	77	81	81	81
70	70	6	8.8	Do. pref. A.	....	(— bid 85 asked)			
102½	98½	5	4.9	Int. Mill., pf.	....	101½ bid 102 asked			
52⅞	37	2+25c	4.4	Int. Nickel	22080	49	50⅞	48½	50½
4½	1⅞	.	...	Int. Paints	100	4½	4½	4	4½
15	11	1+25c▲		Do. pref.	....	(13 bid 15 asked)			
b11½	4½	.	...	Int. Pap. & P.	36700	10	11⅞	10	10⅞
b45⅞	18⅞	.	...	Do. pref.	34500	41½	45½	41⅞	44½
31½	23	1.50+1	9.7	Int. Pete.	4422	25½	26½	25½	26
4½	2	.	...	Int. Power	5	4	4	4	4
84	71	6	7.5	Do. pref.	47	79	79½	79	79
11½	10½	1.12	...	Int. St. Rlty. A	25	10½	11½	11½	11½
3⅞	3⅞	.	...	Do. (B)	....	(3⅞ bid 4 asked)			
8½	5	.	...	Int. Util. (A)	....	(7½ bid 10 asked)			
1.00	.50	.	...	Do. (B)	100	.85	.85	.85	.85
				J, K, L					
35	32	1.75	5.3	Jam. Pub. Ser.	....	(35 bid 37 asked)			
130	125	7	5.5	Do. pref.	....	(— bid 128 asked)			
15	10	1	...	Kelvinator	11	11½	10	10	10
34	13	.	...	L. St. John Pr.	320	30	32	30	30
13	2	.	...	Lake Sulphite	215	3½	3½	3	3½
16⅞	10½	.	...	Lake of Woods.	1570	14½	16½	14½	15⅞
120	100	7	7	Do. pref.	....	(100 bid — asked)			
65	55	5	7.7	Landed Bank	....	(— bid 70 asked)			
13	9	70c	5.7	Lang, J. A.	65	11	12½	12½	12½
3	2½	.	...	Langley's	....	(— bid 4 asked)			
30	30	2.50▲	...	Do. pref.	25	..	30	30	30
65	56	3	5	Laura Secord	5	60	60	60	60
9½	7	.	...	Legare, pref.	....	(7½ bid 8½ asked)			
5	3	.	...	Lindsay, C. W.	....	(— bid 4 asked)			
*78	60	4▲	...	Do. pref.	....	(— bid 70 asked)			
24	19½	1+12½c	4.8	Loblaw (A)	474	23½	23⅞	23	23½
21½	18	1+12½c	5.3	Do. (B)	848	21	21½	21	21½
				M					
1.00	.40	.	...	Mackenzie Air.	800	.70	.70	.70	.70
*9	8	.	...	MacKin. Steel.	....	(— bid 8 asked)			
70	70	1.75▲	...	Do. pref.	....	(— bid 80 asked)			
17	7	.	...	Maclaren Pr. p.	50	13½	15	14	14½
3⅞	2½	.	...	M. L. Gardens.	....	(3½ bid 5 asked)			
7	4	.	...	Do. pref.	....	(6⅞ bid 7 asked)			
3⅞	1½	.	...	Maple Leaf	710	3½	3⅞	3	3½
6	3	.	...	Do. pref.	191	4	5½	4½	5½
*17	15½	70c	...	Maritime Tele.	....	(15½ bid — asked)			
*16⅞	16	70c	...	Do. pref.	....	(— bid 17½ asked)			
15	15	.	...	Marcus Loew's.	....	(14½ bid — asked)			
*125	115	1.75▲	...	Do. pref.	....	(115 Oct. 28)			
10	4⅞	.	...	Massey-Harris	16468	8⅞	10	8½	9½
60	28	.	...	Do. pref.	3927	52	60	52	60
14	10	40c	3.2	McColl Fron.	3370	10⅞	13	11	12⅞
100	83	6	6.1	Do. pref.	472	95	100	95	99
2⅞	1½	.	...	Melchers	15	1½	1⅞	1½	1½
6½	5½	60+20c	..	Do. pref.	11	5½	6	6	6
2½	2½	.	...	Mercury Mills.	....	(2½ May 17)			
19½	10	.	...	Do. pref.	....	(— bid 10 asked)			
50	50	2	4	Mitchell, J. S.	....	(50 bid — asked)			
109	109	7	6.4	Do. pref.	....	(112 bid — asked)			
15½	7½	.	...	Mitchell, Robt.	525	14	14⅞	13½	14⅞
*5½	4	.	...	Monarch Knit.	....	(— bid 3½ asked)			
*86	50½	.	...	Do. pref.	....	(— bid 37 asked)			
35	35	2	5.7	Montreal Cot.	....	(— bid 50 asked)			
106	95	7	7.2	Do. pref.	....	(95 bid — asked)			
1.00	.70	.	...	Mont. Is. Pr.	....	1.00 bid 2.25 asked			
31	27	1.50	5.1	Mont. L. & Pr.	3885	29	29½	28⅞	29⅞
29	28	2	7.2	Montreal Loan	....	(27 bid — asked)			
1.50	1.50	.	...	Mtl. Refrig & S	....	(1.00 bid — asked)			
14	13½	2.25	...	Do. pref.	....	(13⅞ bid — asked)			
62	55⅞	3.20	5.5	Montreal Tele.	....	(56½ bid 59 asked)			
90	79½	9	11.2	Montreal Trams	226	81½	80	80	80
35½	25	1.60+40c.		Moore Corp.	405	34	35½	33½	35
159½	135	7	4.6	Do. pref. (A)	75	146	152	152	152
210	179½	7	3.6	Do. pref. (B)	21	179½	210	196½	196½
.35	.20	.	...	Muirheads	....	(— bid .50 asked)			
4	4	.	...	Do. pref.	....	(4 Feb. 22)			
				N					
41½	34	2	4.8	Nat. Breweries.	1732	41	41½	40⅞	41½
43	38	1.75	4.1	Do. pref.	775	43	43	42½	42½
7½	4½	.	...	Nat. Grocers	55	6	6½	6½	6½
126½	115	7+3.50▲	6	Do. pref.	38	115½	117½	116	117½
20	12	.	...	N. Sew. Pipe A.	....	(13 bid 14½ asked)			
57	31	1.50	...	Nat. Steel Car.	12478	45	57	46	57
210	190	8	4.2	National Tr.	....	(190 bid 200 asked)			
31⅞	24	2	7.2	Niag. W. Weav.	....	(28 bid 34 asked)			
1.50	1.00	.	...	North Star Oil.	....	1.25 bid 1.50 asked			
3⅞	3½	35+8⅞c▲		Do. pref.	....	(3⅞ bid 3½ asked)			
*97½	96	6	...	N. S. L. & Pr.	....	(96 bid — asked)			
105⅞	104	6	5.7	Do. pref.	15	104	105⅞	105⅞	105⅞
14	9	.	...	N. S. Steel, pf.	15	10	13	13	13
				O					
31	23	1	3.3	Ogilvie Flour	947	30	30	29½	30
156	145	7	4.6	Do. pref.	1	155	151	151	151
107	103⅞	5	4.8	Ontario Loan	....	(105 bid — asked)			
*7½	4⅞	.	...	Ont. Silknit	....	(— bid 5⅞ asked)			
*71	64	.	...	Do. pref.	....	(— bid 19 asked)			
10	5	50c	...	Ont. Steel	175	8½	10	9	10
114	97	7	7.1	Do. pref.	....	(90 bid 100 asked)			
2.00	1.00	.	...	Orange Crush.	210	2.00	2.00	1.95	1.95
6	4	70c	14	Do. pref.	180	4½	5⅞	5	5
33	24	2	...	Ottawa Car	94	32	32	32	32
36	24	2	...	Ottawa El. Rly.	2	24	24	24	24
87	79	6	7.4	Ott. L. H. & Pr.	123	83	83	81	81
101½	97	5	5	Do. pref.	105	100	100	100	100
				P, Q, R					
20	10	.	...	Pacific Coyle	....	(15 bid — asked)			
96	77½	4+25c	4.6	Page Hersey	387	90	93	88	93
7⅞	4	.	...	Pantepec Oil	775	6½	6½	5½	5½
16	15	.	...	Paton Mfg.	....	(— bid 17⅞ asked)			
100	100	7	7	Do. pref.	....	(— bid 110 asked)			
55	47	3	6.2	Penmans	10	49	48	48	48
125	123	6	4.9	Do. pref.	9	125	123	123	123
19	16	1	5.9	Photo Eng.	25	16	17	17	17
99⅞	95½	7	7.2	Porto Rico Pr. p	....	(96½ bid 99⅞ asked)			
15	9½	†30c	...	Power Corp.	240	13½	13⅞	12½	13
100½	92	6	6.2	Do. pref.	50	96	97½	97	97½
44	44	3	6.8	Do. 2nd pfd.	....	(42 bid 45 asked(			
19	10	.	...	Pressed Metals.	345	15	18	15½	18
19½	8⅞	.	...	Price Bros.	4580	17⅞	19½	17½	18⅞
54	34	.	...	Do. pref.	105	51	54	51	54
7½	6⅞	.	...	Prov. Transport	....	(6⅞ bid 7½ asked)			
18	14	1	6	Quebec Power.	495	16	17	16⅞	17
4⅞	3⅞	.	...	Que. Telephone	....	(4½ bid 4½ asked)			
40	40	2	5	Real Estate L'n.	....	(36 bid 40 asked)			
9⅞	4	.	...	Regent Knit.	100	6	6	6	6
25	23	1.60	7	Do. pref.	25	23	23	23	23
2⅞	2	30c	...	Reinhardt Brew.	....	(— bid 2½ asked)			
7½	3	.	...	Reliance Grain.	55	6⅞	7½	6½	6½
12½	10½	70c+*1%		Remington R'd	....	(8 bid — asked)			
25	21	2	8.3	River S. Mills.	....	(25 bid 29 asked)			
4	3	.	...	Rogers Majest.	285	3½	4	3½	4
16	14½	1	...	Rolland Pap.	....	(16 June 25)			
18	12	.	...	Do. Vot. Trust	....	(15½ bid 17 asked)			
102½	95	6	6	Do. pref.	20	95	100	98⅞	98⅞
191⅞	170	8	4.2	Royal Bank	143	188	188	180	180
70	63	3	...	Russell Indust.	....	(60 bid — asked)			
110	103	7	6.8	Do. pref.	....	(102 bid 105 asked)			
				S					
101	95	5.50	5.4	Saguenay Pr. p.	12	100	101	100	101
11	6½	.	...	Sarnia Br. (A)	....	(6½ bid — asked)			
5	4	.	...	Do. (B)	....	(3 bid 7½ asked)			
23	17½	80+5c	3.7	Shawinigan Pr.	2820	22½	22⅞	21	22⅞
17	10	.	...	Sher. Wms.	390	15	17	16	16
120	102	7	6.5	Do. pref.	40	108	108	108	108
1½	½	.	...	Silverwoods	....	(1 bid 1½ asked)			
3½	1⅞	20c•	...	Do. pref.	....	(2½ bid 3 asked)			
10½	7½	80c	...	Simon & Son.	100	10	9½	9½	9½
110	110	7	6.4	Do. pref.	5	110	110	110	110
18	8½	.	...	Simpson, A.	....	(10 bid 12 asked)			
8½	2½	.	...	Do. (B)	100	6	5½	5½	5½
95	70	5+1▲	6	Do. pref.	131	84½	85	83	83
115	105	6	5.2	Simpson, R., pf.	....	(111 bid 115 asked)			
15	11½	80c	6.4	So. Can. Pr.	70	13½	12½	12⅞	12⅞
106	103	6	5.7	Do. pref.	41	105	105½	105	105
6½	2⅞	.	..	St. Law. Corp.	4767	5⅞	6	5	5½
18	8½	.	...	Do. (A)	680	16	17⅞	16	17⅞
20	17	1	5.7	St. Law. Flour.	....	(16 bid 19½ asked)			
140	140	7	5	Do. pref.	10	..	140	140	140
50½	24	.	...	St. Law. Pap. p	405	47	49	46	48
8	3½	.	...	Stand. Chem.	25	7	8	8	8
*14½	8	.	...	Stand. Clay	....	(2 bid 10 asked)			
4½	2	.	...	St. Pav. & Mat.	70	3½	3½	3	3
25	12	..	..	Do. pref.	....	(22½ bid 25 asked)			
42	40	3+75c▲	7	Stand. Steel, pf.	....	(— bid 45 asked)			
17⅞	16	60+20c	4.7	Stedman Bros.	....	(16½ bid 17½ asked)			
70	56	1.75‡	2.5	Steel of Can.	1022	69	70	68	70
67	63	1.75	2.6	Do. pref.	283	67	67	65	66
5	4	.	...	Sterling Coal	....	(4 bid 5 asked)			
.75	.25	.	...	Stop & Shop	....	(— bid .25 asked)			
*17	13	80c	...	Stuart, D. A. pf	....	(10 bid 13 asked)			
2½	1½	.	...	Supersilk H. A.	....	(2½ bid 2⅞ asked)			
3⅞	2	.	...	Do. (B)	25	3	3⅞	3⅞	3⅞
79⅞	73	5	6.6	Do. pref.	....	(— bid 76 asked)			
37	31	1+50c	4.3	Sup. Pete. ord.	115	36	36	34½	34½
33	30	1+50c	4.5	Do. com.	....	(33 June 24)			
				T					
16	12½	80c	5.8	Tamblyn	30	13½	13⅞	13⅞	13⅞
52½	52	2.50	4.8	Do. pref.	....	(52 bid — asked)			
4	2	.	...	Thayers	5	2½	4	4	4
27	20	3.50	...	Do. pref.	....	(24 bid 30 asked)			
.50	.25	.	...	Thrift Stores	....	(— bid .50 asked)			
2	2	.	...	Do. pref.	....	(— bid 3 asked)			
13½	10	60+10c	5.8	Tip T. Tailors	....	(— bid 12 asked)			
108	100	7	6.9	Do. pref.	....	102½ bid 105 asked			
3	⅞	.	...	Tooke Bros.	....	(⅞ July 8)			
15	9	.	...	Do. pref.	25	10	10	10	10
18½	12	2	...	Tor. Elevators	65	17	17	16	17
48	40	2.62½	6	Do. pref.	....	(41 bid 44 asked)			
85	73	4	5.3	Tor. Gen. Tr.	....	(75 bid 79 asked)			
122	108½	6	5.5	Toronto Mtge.	....	108½ bid 119 asked			
158	140	7	4.6	Tuckett Tob. p.	....	(153 bid 160 asked)			
4⅞	3	.	...	Twin City	....	(— bid 10 asked)			
				U, V					
15½	11	80c	5.6	Union Gas	834	14	14½	13⅞	14½
17½	15	30c	...	Un. Amuse. A.	....	(— bid 21 asked)			
13	13	30c	...	Do. (B)	....	(— bid 15 asked)			
1.15	1.00	5c	...	United Distill.	....	(.85 bid 1.10 asked)			
43	39⅞	1▲	...	United Fuel, pf.	763	43	42	39	40
18⅞	8	.	...	United Secs.	....	(8½ bid 12½ asked)			
6⅞	3	.	...	United Steel	2345	5⅞	6½	5⅞	6½
3	1½	.	...	Viau Bisc.	245	2½	2⅞	2⅞	2⅞
50	45	5	10	Do. pref.	115	50	50	50	50
				W, Y					
20	15	1+15c	6.3	Wabasso Cot.	132	18	18	18	18
44⅞	30½	4	9.9	Walker-Good.	2291	40½	41	39⅞	40⅞
19½	17	1	5.3	Do. pref.	1120	18½	18⅞	18½	18⅞
2.00	1.10	5c	...	Walkerville Br.	440	1.55	2.00	1.50	1.50
2.25	1.00	.	...	Waterloo Mfg.	510	1.80	2.25	1.85	2.25
125	123½	7	5.6	W. Koot. Pr. pf	....	(124 bid — asked)			
4½	3	.	...	West. C. Flour	140	3	4	3⅞	3⅞
34½	28	.	...	Do. pref.	....	(33½ bid 34⅞ asked)			
65	50½	3	5.9	West. Grocers.	....	(— bid 70 asked)			
112	107	7	6.4	Do. pref.	....	(— bid 117 asked)			
12½	9	80c	7.3	Weston Ltd.	625	10⅞	11	10⅞	11
84⅞	70	5	5.9	Do. pref.	10	84⅞	84⅞	84⅞	84⅞
4	4	.	...	Windsor Hotel	....	(— bid 2 asked)			
8	7	.	...	Do. pref.	15	7	7	7	7
3½	1½	.	...	Winnipeg El. A.	375	2½	2⅞	2⅞	2⅞
3	1	.	...	Do. (B)	310	2⅞	2⅞	2½	2½
17	7	.	...	Do. pref.	20	14	13½	9	13½
93	65	1.75▲	..	Wood, A. & J. p	....	(66 bid 79 asked)			
50	40	.	...	Woods Mfg., pf.	75	40	50	45	45
4½	3½	.	...	York Knitting	....	(4 bid 5 asked)			

* 1937.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1938.
° Stock bonus.
† Interim.
• Initial

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close July 11 (or last)	High for week	Low for week	Close July 18
			A					
1	.04½	.01	Afton	2,500	.03½	.03	.03	.03
No	.70	.35	Aldermac	64,774	.56	.59	.53	.57
1	.03½	.01	Alexandria	4,000	.01½	.01½	.01	.01½
1	.33	.16½	Amm. Gold	58,000	.25	.24½	.21	.22
No	4.15	2.75	Anglo-Huronian	1,965	3.00	3.40	3.10	3.10
No	.02½	.01	Arno	4,600	.02	.02	.01	.02
1	.33	.15	Arntfield	2,000	.17	.18	.16	.18
1	.10	.05	Ashley	4,300	.07	.07	.06	.06
1	.04½	.02	Astoria Rouyn	24,100	.03½	.03½	.03	.03
1	.44	.20	Augite Porc.	127,350	.28	.35	.27	.34
50c.	.14	.06	Aztec	......	(.... bid .12 asked)			
			B					
1	.27	.12	Bagamac	22,025	.15½	.19	.17	.19
1	1.03	.62	Bankfield	18,416	.68	.70	.68	.69
1	.45	.20	Base Metals	4,800	.39	.39	.35	.36
No	1.45	1.00	Beattie Gold	7,050	1.12	1.21	1.13	1.21
1	.32	.17	Beaufor	3,500	.18½	.20	.18	.20
1	.50	.20	Bidgood Kirk.	50,651	.26½	.32	.24	.31
1	.58	.30	Big Missouri	4,541	.36½	.37	.31	.36
1	.14½	.07	Bobjo	12,500	.13	.13	.10½	.10½
1	.13½	.06	Bouscadillac G.M.	1,500	.08	.08	.06	.06
No	10.25	8.00	Bralorne	785	9.60	9.60	9.50	9.50
1	.08	.03	Brasil Gold	......	(.03 bid .08 asked)			
1	.12	.02	Brett Trethewey	29,000	.03½	.03½	.02½	.03
1	.10	.03	Brownlee	3,300	.04	.04½	.04½	.04½
1	17.50	11.00	Buffalo Ankerite	1,200	15.87	16.12	15.75	16.00
No	.06½	.02½	Buffalo Can.	88,500	.03½	.04	.03	.03½
5	30.50	24.25	Bulolo Gold	1,812	28.25	28.50	28.25	28.50
No	.22	.10	Bunker Hill	4,800	.13	.13	.12	.12
			C					
No	1.28	.74	Can. Malartic	13,300	.95	.98	.90	.90
1	.09½	.03½	Capital Rouyn	1,500	.04	.04	.03½	.04
1	2.60	1.65	Cariboo Gold	850	2.55	2.60	2.40	2.50
1	.15	.05	Cartier Malartic	2,100	.06	.06½	.06	.06½
1	.90	.53	Castle Trethewey	8,359	.80	.90	.83	.90
1	.62	.24	Cen. Cadillac	16,530	.32	.32	.30	.31½
1	3.20	2.10	Cen. Patricia	7,615	2.50	2.52	2.45	2.50
1	.15	.08½	Cen. Porcupine	7,600	.10½	.11½	.10½	.11
1	1.73	1.35	Chesterville	217,230	1.41	1.73	1.40	1.70
No	.75	.35	Chromium	17,500	.60	.65	.55	.60
5	4.00	2.00	Coast Copper	150	2.90	2.80	2.80	2.80
1	.04½	.00½	Cobalt Contact	500	.01½	.01	.01	.01
5	2.25	1.25	Coniagas	730	1.68	1.75	1.65	1.75
No	1.84	1.10	Coniaurum	6,900	1.36	1.36	1.30	1.36
1	.42	.19	Con. Chibougamau	100	.23½	.21	.21	.21
25	64.25	46.50	Cons. Smelters	4,461	59.00	61.00	58.12	60.25
			D, E					
1	.23½	.09	Darkwater	3,775	.11	.14	.09½	.10
1	.46	.17	Denison Nickel	16,800	.22	.22	.19½	.20
No	30.50	27.50	Dome Mines	6,923	29.00	30.00	29.00	29.75
1	.07	.03	Dom. Explorers	2,250	.04½	.04	.03	.04
1	.26	.09	Dorval Siscoe	5,100	.13	.13	.11	.11½
1	.07	.03	Duparquet	9,500	.05	.05	.04½	.04½
1	1.95	1.05	East Malartic	41,005	1.90	1.95	1.83	1.88
1	3.25	1.96	Eldorado	90,845	2.15	2.43	2.10	2.37
			F, G					
No	6.95	4.70	Falconbridge	1,420	6.00	6.35	6.00	6.00
1	.14	.03½	Federal	15,900	.05	.05½	.04½	.04½
1	.30	.18	Fernland	68,100	.18½	.23	.19	.20
No	.53½	.27	Francoeur Gold	4,050	.35	.38	.32	.36
1	.20	.04	Fontana	3,000	.04	.05	.04	.04
1	.32	.08	Gillies Lake	168,000	.14½	.18	.13	.17½
1	.05	.02	Glenora	6,800	.03½	.03½	.03	.03
No	.68	.31	God's Lake	13,076	.53	.52	.47	.50½
1	.40½	.14	Goldale	32,300	.32	.32	.27	.28
50c.	.45	.30	Gold Belt	700	.44	.45	.45	.45
1	.40	.16	Gold Eagle	14,600	.23	.25	.21	.21
1	.12	.03½	Goodfish	6,500	.03½	.04	.03½	.04
1	.09½	.03	Graham Bosquet	1,000	.04½	.04½	.04½	.04½
1	.08½	.04	Granada Gold	41,216	.05	.08½	.06½	.08½
No	.11	.05	Grandoro	37,500	.06	.08	.05½	.07
1	.10	.03½	Grull Wihksne	......	(.05 bid .07 asked)			
1	1.09	.61	Gunnar Gold	12,235	.74	.79	.71	.77
			H, I, J					
1	.04½	.02	Halcrow Swayze	2,500	.03	.03½	.02½	.03
1	2.93	1.10	Hard Rock	149,215	2.76	2.93	2.65	2.72
1	.17	.09	Harker	14,250	.11	.11½	.10½	.11½
1	1.40	1.00	Hecla Mascot	500	1.05	1.09	1.08	1.09
5	15.25	11.00	Hollinger	3,913	14.50	14.87	14.37	14.50
1	.33	.22	Howey Gold	11,801	.29½	.29	.26½	.27
No	31.00	20.50	Hudson Bay	1,586	29.00	30.00	28.75	30.00
1	.49	.35	Inspiration	300	.40	.35	.35	.35
1	11.50	7.00	Inter. Mining	......	(9.00 July 8)			
No	52.75	37.00	Int. Nickel	22,080	49.00	50.62	48.25	50.50
1	.40	.13	Jacola	7,014	.19	.18	.16	.17
1	.57	.31	Jack Waite	33,870	.50	.54	.50	.53
1	.82	.33	Jellicoe	50,740	.41	.46	.37	.37½
1	.17	.09½	J. M. Cons. Gold	32,780	.10	.12	.10	.12
			K, L					
1	2.30	1.25	Kerr Addison	41,633	1.82	1.85	1.74	1.76
1	1.00	.35	Kerr Lake	400	1.00	.53	.53	.53
1	.28	.06	Kirk. Gold Rand.	2,262	.07½	.08	.08	.08
1	1.50	.60	Kirk. Hud. Bay	325	.80	.80	.80	.80
1	1.50	.95	Kirkland Lake	97,460	1.15	1.41	1.08	1.40
1	.23	.13	Kirk. Townsite	500	.14	.14	.13	.14
1	.59	.25	Laguna	6,341	.30	.29½	.29	.29
1	58.75	46.00	Lake Shore	5,046	51.75	51.75	50.62	51.00
1	.05	.02½	Lamaque Contact	28,500	.03½	.03½	.02½	.03½
1	.74	.37½	Lapa Cadillac	30,460	.61	.65	.60	.60
1	1.13	.80	Lava Cap.	6,600	.95	.97	.93	.95
1	.15	.05	Lebel Oro	11,300	.06	.06½	.05½	.06
1	.02½	.01	Lee Gold	2,000	.01½	.02	.02	.02
1	1.12	.60	Leitch Gold	33,800	.73	.79	.72	.79
No	6.00	3.50	Little Long Lac.	5,140	3.60	3.60	3.45	3.45
			M					
1	5.55	3.50	Macassa	4,232	4.70	4.65	4.50	4.60
No	3.90	1.30	MacLeod Cockshutt	72,833	3.50	3.75	3.45	3.50
1	.49	.25	Madsen Red Lake	8,150	.36	.38	.35	.37
1	.02	.00½	Malrobic	26,500	.01½	.02	.01	.01
No	.24	.10	Mandy	3,000	.17	.17	.16½	.16½
No	.04	.01½	Man. & Eastern	40,500	.01½	.02½	.01½	.02½
1	.19½	.09	Maralgo	8,025	.11	.11	.09½	.10
5	45.00	35.50	McIntyre	2,350	43.00	44.00	43.50	44.00
1	1.15	.69	McKenzie R. L.	10,025	1.11	1.12	1.10	1.12
1	.60	.35	McKinley	......	(.... bid .70 asked)			
1	.24	.10	McVittie	8,650	.17½	.20	.15	.16½
No	.80	.30	McWatters	35,150	.65	.66	.58	.65
5	.70	.30	Mentor Explor.	......	(.70 July 6)			
No	2.49	1.45	Mining Corp.	5,420	1.90	2.05	1.90	2.05
No	.04½	.02½	Minto Mines	500	.03	.03½	.03½	.03½
1	.03	.01	Moffatt Hall	......	(.01½ June 7)			
1	2.56	1.63	Moneta	21,497	2.06	2.06	1.90	1.92
1	.20	.08	Montague	......	(.05 bid .11 asked)			
1	.15	.12	Morris Kirk.	3,299	.12	.15	.12	.15
1	.03½	.01½	Murphy	4,300	.02½	.02½	.02	.02
			N, O					
1	.79	.13½	Naybob	493,375	.64	.79	.62½	.75½
No	.08	.02	Newbec	124,400	.07	.07	.05½	.07
1	.38	.10	New Golden Rose	4,600	.17	.17½	.17	.17
5	2.15	1.65	Nipissing	675	1.80	1.73	1.65	1.70
No	69.87	48.00	Noranda	11,392	67.50	69.87	66.50	69.25
No	.38	.25	Nor. Canada	1,040	.33	.38	.35	.38
1	8.60	7.50	North Empire	1,159	8.10	8.60	8.10	8.50
1	.05½	.02	Norgold	1,500	.05	.05	.05	.05
1	1.14	.50	Normetal	11,126	.80	.86	.78	.84
1	5.45	2.75	O'Brien	21,190	3.80	4.10	3.70	3.95
1	.55	.30	Omega	27,878	.50	.53	.48	.52
1	1.45	.46	Oro Plata	10,300	.80	.85	.75	.78
1	.16	.05	Osisko	2,500	.07	.12	.11	.12
			P					
No	4.30	2.90	Pamour	3,690	3.45	3.55	3.35	3.40
1	.63	.20	Pandora	13,401	.23	.24	.20	.21
1	2.70	1.55	Pato Cons. G.	4,650	2.25	2.50	2.40	2.50
1	.24½	.07½	Partanen Mal.	85,900	.20	.24½	.18	.21
1	.22	.05	Paulore	35,300	.13	.12½	.07½	.07½
1	.02	.01	Pawnee Kirk.	13,000	.01½	.02	.01½	.01½
1	.69	.38	Paymaster	18,500	.48½	.48½	.45	.48
1	.23	.12	Payore	12,200	.13	.13	.12	.13
1	2.65	1.30	Pend Oreille	38,585	2.13	2.40	2.06	2.24
1	1.77	1.02	Perron Gold	15,965	1.57	1.60	1.45	1.52
1	.01½	.00½	Peterson Cobalt	10,033	.00½	.01½	.01	.01½
1	5.10	3.80	Pickle Crow	9,605	4.75	4.70	4.55	4.60
1	3.50	2.80	Pioneer Gold B. C.	1,625	3.00	3.05	2.96	2.96
1	17.25	13.25	Placer Devel.	300	16.50	16.00	16.00	16.00
1	2.41	1.37	Powell Rouyn	22,950	2.20	2.29	2.11	2.24
1	2.42	1.81	Premier Gold	3,075	2.15	2.25	2.15	2.25
1	1.34	.67	Preston E. Dome	60,325	.93	.95	.85	.92
No	.98	.50	Prospectors Air's.	700	.50	.55	.50	.55
			Q, R					
1	.70	.40	Quebec Gold	500	.42	.42	.42	.42
No	.12	.04	Quemont	2,520	.10	.10	.10	.10
1	4.55	2.55	Read Authier	5,655	2.60	2.75	2.60	2.65
1	.45	.07	Red Crest	1,500	.15	.15	.15	.15
1	.36½	.09	Red Lake	51,140	.13	.11½	.09	.10
1	.65	.39½	Reno Gold	12,700	.43	.48	.44	.46
1	.55	.25	Reeves McD.	......	(.40 bid .50 asked)			
1	.07	.03½	Reward	1,300	.04	.03½	.03½	.03½
1	.03	.01½	Ritchie	30,000	.02	.03	.02	.02½
1	.02½	.01	Robb Montbray	6,500	.01½	.02	.01½	.01½
1	.24	.09	Roche Long Lac	12,900	.11½	.13	.10½	.12
			S					
1	1.55	1.11	San Antonio	2,848	1.28	1.30	1.25	1.26
1	.34	.09½	Shawkey	31,850	.11	.12	.10½	.11
50c.	1.21	.90	Sheep Creek	1,500	.96	.97	.95	.95
1	1.80	.90	Sherritt Gordon	41,917	1.33	1.44	1.27	1.40
1	3.40	2.00	Siscoe	10,876	2.27	2.29	2.19	2.19
1	1.39	.86	Sladen Malartic	34,750	1.20	1.20	1.10	1.15
1	.24	.07	Slave Lake	44,600	.15	.16½	.12	.15
No	.78	.38	Stadacona	243,439	.55	.61½	.52	.61
1	.20	.09	St. Anthony	5,000	.11	.11½	.11	.11
No	.15½	.06	Straw Lake	325,100	.09½	.14	.09½	.14
No	3.80	2.00	Sudbury Basin	408	2.90	3.05	2.75	2.90
1	.19	.10	Sudbury Contact	6,200	.15	.15½	.14	.14
1	1.25	.80	Sullivan Cons.	4,945	.98	1.00	.85	.96
1	3.60	2.60	Sylvanite	5,765	3.35	3.40	3.25	3.25
			T, U, V, W, Y					
1	5.70	4.40	Teck Hughes	5,259	4.55	4.60	4.50	4.55
1	.25	.09½	Temiskaming	10,700	.10½	.11	.10	.10
1	.38	.19	Thomp. Cadillac	13,720	.25	.24½	.22	.22
1	2.90	1.78	Toburn Gold	850	2.07	2.10	2.05	2.10
1	.67	.33	Towagmac	3,850	.47	.50	.44	.47
1	2.15	.90	Uchi Gold	25,770	2.02	2.15	2.00	2.10
No	7.40	4.00	Ventures	1,304	5.60	5.85	5.25	5.75
No	7.50	1.02	Waite Amulet	252,402	5.15	7.50	4.90	7.20
1	.20	.08	Wendigo	14,100	.15½	.15½	.14	.14
No	.03½	.01½	White Eagle	5,000	.01½	.01½	.01½	.01½
1	.08	.02	Whitewater Mines	......	(.04 bid .07½ asked)			
1	.18	.03	Wiltsey Coughlan	223,200	.13	.18	.12½	.16
1	.43	.19	Wood Cadillac	11,200	.24	.25	.21	.21
No	8.20	6.50	Wright-Hargreaves	5,905	7.50	7.70	7.45	7.55
No	.30	.14	Ymir Girl	1,600	.16	.15	.14	.14½

Oil Quotations

Par Val.	Range 1938 High	Low	Company	Sales	Close July 11 (or last)	High for week	Low for week	Close July 18
No	.12	.07	Acme Gas & Oil	1,200	.07½	.09	.08	.09
1	.37	.16	Alta Pac. Cons.	100	.20	.19	.19	.19
1	.32	.13	Ajax	2,000	.20	.20	.20	.20
No	1.65	.95	Anglo Canadian	3,835	1.36	1.40	1.35	1.40
1	.15	.08	Anaconda	......	(.09 June 29)			
1	.16	.07	Br. Dominion	......	(.07 bid ... asked)			
No	.68½	.33	Brown Oil	16,106	.39	.41	.37	.38
100	72.00	46.00	Do., pref.	......	(60.00 bid 70.00 asked)			
No	3.10	1.80	Calgary & Ed.	10,005	2.40	2.55	2.35	2.40
1	.62	.25	Calmont	3,300	.32	.36	.33	.34
No	.85	.60	Commoil	300	.75	.60	.60	.60
No	.43	.22	Common Pete.	1,000	.27	.28	.28	.28
No	.70	.37	Dalhousie	665	.48	.49½	.40	.40
No	.73	.30	Davies Pete.	6,305	.34	.35	.32	.32
No	.15	.06½	East Crest	8,100	.08	.09	.08	.09
25c	.25	.13½	Firestone Pete.	500	.16	.14	.14	.14
No	.90	.35	Foothills	1,100	.55	.60	.55	.60
No	.22	.13	Foundation Pete.	800	.19	.19	.17	.17
No	.35	.14	Hargal	500	.19	.14	.14	.14
No	.20	.08	High Sarcee	3,400	.11	.14	.11½	.14
No	1.47	.91	Home	8,465	1.23	1.26	1.17	1.20
1	.37	.14	Homestead O.&G.	6,000	.19	.21	.18½	.20½
No	.27	.13½	McD. Segur	500	.17	.18	.18	.18
No	.20	.06½	Mercury	......	(.12½ bd .13 asked)			
No	.08	.04	Merland	1,200	.06	.07	.07	.07
1	.38	.22	Model	......	(.25 June 13)			
25c	.20	.12	Monarch Royalties	1,000	.16	.13½	.12	.12
1	.20	.04	Nordon	2,800	.15	.18½	.15	.15
No	.04½	.02½	Oil Selections	......	(.02½ bid .03½ asked)			
No	2.30	1.07	Okalta	5,830	1.55	1.64	1.48	1.48
No	.05½	.02	Olga Gas & Oil	9,500	.02½	.02½	.02½	.02½
1	.17	.06	Pacalta	23,300	.07	.10	.07½	.08
1	.50	.40	Petrol Oil & Gas	......	(... bid .50 asked)			
25c	.52	.30	Prairie Royalties	500	.33	.36½	.36½	.36½
No	47.87	33.75	Royalite	1,261	43.00	45.50	43.25	45.00
No	.75	.25	South West Pete.	100	.40	.40	.40	.40
No	.10	.02½	South End	500	.03½	.04	.04	.04
1	.14	.14	Spooner	......	(.14 Mar. 9)			
25c	.25	.04	Spy Hill Royalties	......	(.04 bid .04½ asked)			
No	1.57	1.05	Texas Can.	3,200	1.35	1.35	1.30	1.30
No	.26	.12	United Oils	1,810	.16	.14½	.12	.12
No	1.25	.60	Vulcan	10	1.05	.80	.80	.80
No	.34	.10	West Flank	1,000	.11	.10½	.10½	.10½
50c	.15	.08	West Turner Pete	5,100	.10	.10½	.10	.10

Vancouver Stock Exchange

Par Val.	Range 1938 High	Low	Company	Sales	Close July 11 (or last)	High for week	Low for week	Close July 18
50c	.14	.07	Aztec	2,500	.09½	.10	.09	.09
1	.58	.33	Big Missouri	5,050	.35	.36	.34	.34
25c	.05½	.01½	Bluebird	15,000	.02	.02	.01½	.02
No	10.10	7.95	Bralorne	1,378	9.40	9.55	9.45	9.55
1	.04½	.01½	Bridge River Cons.	......	(.02½ bid .04 asked)			
1	.25	.08	B.C. Nickel	3,900	.09½	.10	.09½	.09½
1	2.20	1.50	B.C. Silver	400	1.75	1.95	1.90	1.95
1	2.60	1.68	Cariboo Gold	2,200	2.51	2.55	2.47	2.48
No	.13	.04	Dentonia	4,500	.05	.04½	.04½	.04½
1	.09	.02½	Dunwell	1,200	.03	.03½	.03	.03
No	.10½	.02	Fairview Amal.	561,628	.08½	.09½	.08	.08
1	.02½	.01	Federal Gold	3,000	.01	.01½	.01	.01½
1	.50	.25	George Copper	200	.25	.29	.29	.29
50c	.03½	.02	George Enterprise	......	(.02½ bid ... asked)			
1	.10	.03½	Golconda	5,230	.08	.09	.08	.08
50c	.46½	.29	Gold Belt	14,500	.46½	.46½	.45	.46
50c	.03½	.01½	Gold Mountain	4,000	.02½	.02½	.01½	.01½
50c	.12	.04	Grand View	......	(... bid .10 asked)			
1	.11	.04	Grull Wihksne	6,700	.06½	.06½	.06	.06
No	.08½	.04	Haida Gold	12,700	.04½	.04½	.04	.04
1	1.39	1.00	Hedley Mascot	3,100	1.07	1.08	1.05	1.08
No	.05½	.02	Hedley Sterling	1,000	.03½	.02	.02	.02
No	.02	.01	Home Gold	3,000	.01	.01	.01	.01
1	.02½	.01½	Indian Mines	......	(.01½ bid .02 asked)			
1	.28	.20	Inter'tl Coal	......	(.25 bid .31 asked)			
50c	1.08	.72	Island Mountain	13,707	1.02	1.08	1.02	1.07
50c	1.27	.91	Kootenay Belle	8,990	1.24	1.25	1.10	1.18
10c	.04½	.01½	Lucky Jim	4,500	.03	.03½	.03	.03
No	.02½	.01	Mak Siccar	......	(.01 bid ... asked)			
5c	.64	.26	Metaline Metals	1,000	.52	.64	.64	.64
1	.23	.19	McGillivray Creek	......	(.20 bid ... asked)			
No	.05½	.02	Minto Mines	16,500	.03½	.04	.03½	.03½
50c	.08	.02	Nicola	11,300	.04	.04	.03½	.03½
50c	.05	.02	Noble Five	10,000	.03	.03½	.02½	.03
1	2.60	1.32	Pend Oreille	3,000	2.10	2.25	2.15	2.24
No	.02½	.01	Pilot Gold	......	(.01 bid .02 asked)			
1	3.35	2.85	Pioneer Gold	734	2.99	3.00	2.99	3.00
50c	.04	.02½	Porter Idaho	......	(.02½ bid .03 asked)			
No	.02½	.01	Premier Border	9,000	.01	.01½	.01½	.01½
1	2.83	1.83	Premier Gold	5,825	2.19	2.22	2.15	2.22
1	.14½	.02½	Quatsino Copper	8,500	.05½	.05½	.04	.04
25c	.11½	.06½	Quesnelle Quartz	13,000	.10½	.11	.09	.09½
50c	.07	.04	Red Hawk	......	(... bid .05 asked)			
1	.25	.14	Relief Arlington	......	(.14½ bid .16 asked)			
No	.56	.25	Reeves McDonald	1,100	.40	.45	.41	.45
1	.63	.40	Reno Gold	3,400	.42	.47	.44	.45
1	.06½	.03½	Reward Mining	3,000	.03½	.03½	.03½	.03½
1	.03½	.01½	Rufus Argenta	......	(.01½ bid .02 asked)			
1	.03	.01	Ruth Hope	......	(.02 bid ... asked)			
1	.08	.03	Sally Mines	......	(.03 bid .05 asked)			
50c	.16½	.05	Salmon Gold	2,400	.14	.13	.11	.12
50c	1.20	.92	Sheep Creek	6,800	.94	.95	.93	.94
1	2.20	1.50	Silbak Premier	608	1.75	1.95	1.90	1.95
No	.04½	.01½	Silvercrest	......	(... bid .04 asked)			
1	.17	.12	Sunloch	......	(.12 June 6)			
1	.22	.21	Standard Silver	......	(.22 Apr. 1)			
10	13.65	11.75	Sunshine	......	(11.75 Apr. 13)			
No	.05½	.02½	Taylor Bridge	1,500	.02½	.03	.03	.03
No	.21	.06½	Vidette Gold	19,900	.08	.08½	.06½	.08½
50c	.01	.00½	Waverley Tangier	2,000	.00½	.00½	.00½	.00½
20c	.03½	.01½	Wellington	7,000	.02½	.02½	.02½	.02½
50c	.10½	.02	Wesko	5,300	.02½	.03	.02	.02½
No	.02	.02	White Eagle	......	(.02 Mar. 16)			
1	.08½	.03½	Whitewater	5,000	.06½	.06	.05½	.05½
No	.29	.14	Ymir Yankee Girl	3,000	.15	.16	.14	.15

Oil Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close July 11 (or last)	High for week	Low for week	Close July 18
1	.35½	.16	Alta. Pac. Cons.	3,550	.20	.20	.19	.19
1	.08	.00½	Amalgamated	10,000	.01	.01½	.01½	.01½
No	1.58	1.00	Anglo C. Develop	300	1.35	1.40	1.40	1.40
1	.14	.07	Anaconda	1,600	.08½	.09	.08	.08½
No	.08	.04	Associated Oil	......	(.04 Mar. 18)			
No	.06	.02	Baltac	......	(.03 bid .04 asked)			
No	.58	.35	Brown Oil	1,000	.41	.37	.37	.37
1	.14	.08	Brit. Dominion	......	(.08 bid .09 asked)			
No	3.15	1.89	Calgary & Ed.	2,820	2.40	2.51	2.35	2.35
1	.63	.29	Calmont	700	.34	.35	.34	.34
1	.43½	.25	Commonwealth	1,300	.30	.29	.27½	.29
1	.06½	.01	Crow's Nest	1,000	.01½	.01½	.01½	.01½
No	.70	.40	Dalhousie	......	(.42 bid ... asked)			
No	.66	.30	Davies Pete	......	(.31 bid .35 asked)			
No	.15	.07	East Crest	......	(.08 bid .09 asked)			
25c	.23	.14	Firestone	......	(.15 bid .16 asked)			
No	.08½	.04½	Freehold	14,100	.06½	.06½	.06	.06
No	.23	.13	Foundation Pete.	......	(.16 bid .19 asked)			
No	.21	.15	Four Star	......	(.14 bid .17 asked)			
No	.38	.14	Hargal	975	.18	.16	.14	.14
No	.20	.10	High Sarcee	2,700	.12	.15	.12	.15
No	1.46	.90	Home Oil	1,845	1.20	1.25	1.12	1.12
No	.09	.02½	Madison	2,500	.04½	.04½	.04½	.04½
No	.10½	.05½	Marjon Oil	6,600	.07	.07½	.07	.07
No	.28½	.13	McD. Segur Ex.	500	.16	.16	.15½	.16
1	.30	.15	McLeod	......	(.16 bid ... asked)			
No	.19	.07	Mercury	9,900	.13½	.13½	.11	.11
No	.08	.06	Merland	500	.06	.06	.06	.06
No	.12	.06	Mill City Pete.	1,000	.07½	.08	.08	.08
No	.03	.02½	Midwest Pete.	......	(.03 June 10)			
1	.42	.21	Model	1,500	.25	.24	.23	.23
25c	.19	.13	Monarch Royal.	2,700	.14	.13	.13	.13
1	.19	.07	Norton	......	(.15 bid ... asked)			
No	2.25	1.04	Okalta	2,450	1.57	1.60	1.48	1.50
100	36.00	29.00	Do. pref.	500	36.00	36.00	36.00	36.00
No	.17	.06	Pacalta Oil	2,700	.06½	.09½	.09	.09
25c	.51½	.28	Prairie Royal.	4,600	.36	.37	.36	.36
No	46.00	35.00	Royalite	197	44.50	45.00	43.25	43.25
No	.16	.10	Royal Canadian	1,600	.12½	.12	.11	.11
No	.65	.30	Southwest Pete.	......	(.40 bid .50 asked)			
1	.20	.10	Spooner	......	(.11 bid .12 asked)			
25c	.23	.04	Spy Hill Rlty.	......	(.03 bid ... asked)			
No	.25	.13	United	3,250	.16	.15½	.14	.14
No	.09½	.05	Vanalta	......	(.05 bid ... asked)			
1	1.21	.75	Vulcan	415	.95	.99	.95	.95
No	.34	.10½	West Flank	500	.10½	.10½	.10½	.10½

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 19, 1938

Public Utility Issues:	Int. Rate %	Due	Bid July 19	Asked	Bid July 12
†Assoc. Tel. & T.	5½	'55	77	80	78
Beauharnois P.	5	'73	95	98	92½
B. C. Power	4½	'60	99½	102½	99½
B. C. Tel.	4½	'61	105½	108½	105½
†Calgary Pwr.	5	'60	98	101	97½
Do.	5	'64	95½	98½	96
†Can. Nor. Pwr.	5	'53	104½	107½	104½
‡Dom. Gas & El.	6½	'45	83½	86½	85
‡Gatineau Pwr.	5	'56	103½	106½	103½
‡Do., A	6	'41	101	103	...
Gt. Lakes Pwr.	4½	'56	95	98	95
‡Int. Hydro-E.	6	'44	72	75	70
▲Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	103	106	102½
Do.	5½	'64	102	105	101½
Mtl. L., H. & P.	3½	'56	102	105	101½
Do.	3½	'73	96½	99½	96½
†Mtl. Tramways	5	'41	99½	102½	99½
†Do.	5	'55	76	79	75½
Nat. Lt. & Pwr.	6	'49	93	96	93
N. S. Lt. & Pr.	4	'57	98	101	98
‡Ottawa Light, Heat & Power	5	'57	105	107	105
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	99½	102½	99
Quebec Power.	4	'62	96½	99½	96½
§Saguenay P., A	4½	'66	103½	106	103½
Do., B	4½	'66	104	107	104
Shaw. W. & Pr.	4	'61	100½	103½	100½
Union Gas	4½	'50	100	103	100
Wpg. El. Ser. A	4	'65	64½	67½	64
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67½	70½	66½
Acadia Sugar	4½	'55	101	104	101
†Alta. Pa. Grain	6	'46	86	89	83½
Atlantic Sugar.	4	'51	99	102	99
B. A. Oil	4	'45	103½	106½	103
†B. C. P. & Pap.	5½	'58	83½	86½	83
§Brown Co.	5½	'46	62½	65½	62
†Burns & Co.	5	'58	64	67	64
Canada Bread	6	'41	107½	110½	107½
Canada Cement	4½	'51	103	106	103
Can. Paper	4½	'52	98	...	98
Can. Steamship	5	'57	84	87	82½
Candn. Canners	4	'51	99	102	98½
‡Can. Int. Paper	6	'49	94	97	93
‡Candn. Vickers	6	'47	97	100	95½
C. P. R.	3½	'51	88	91	89
Do.	4	'49	92	95	93
Do.	4½	'44	95	98	95
Do.	6	'42	102½	105½	102½
Do., debs.	4 perp.		79½	81½	80
†Consol. Paper	5½	'61	52½	55½	52
Dom. Coal	4½	'52	102	105	102
▲Dom. Stl. & C.	6½	'55	105½	108½	104½
Dom. Tar	4½	'51	100½	103½	100
†Donnacona P.	4½	'56	74½	77½	73
Famous Players	4½	'51	97½	100½	97½
†Federal Grain	6	'49	92½	95½	92½
†Fraser Cos.	6	'50	96	99	96½
Gen. Stl. Wares	4½	'52	93½	96½	93
‡Great Lakes P.	5	'55	89½	92½	89½
†Gypsum, Lime.	5½	'48	97	100	97
Ham. By-Pr. C.	5	'55	100	103	100
Inter-City Bak.	5½	'48	103	106	102½
‡Inter. P. & P. Nfld.	4½	'68	100½	103½	100½
Lake St. John P. & P.	5½	'61	90½	93½	91
Maple Leaf M.	5½	'49	50	53	51
†Massey-Harris.	5	'47	99	102	99
†McColl-Front.	6	'49	104½	106	104½
McCormick's	4	'52	78	81	79
‡M. & O. Paper	6	'45	41	44	40½
Nat. Grocers	4	'47	100	103	100
†N. S. Stl. & C.	5	'59	94	97	89
†Do., debs.	6	..	43	46	42
Price Bros.	5	'57	94	97	93½
‡Prov. Paper	5½	'47	101½	104½	101½
Reliance Grain	4½	'52	93	96	92½
†Restigouche Co.	6	'48	95½	98½	95½
Rolland Paper.	4½	'51	102½	105½	102½
Simpsons Ltd.	4½	'51	97½	100½	96½
Smith, Howard	4½	'51	103	106	102½
†Steel of Can.	6	'40	109	112	109½
‡United Gas	5½	'48	102	105	102
United Gr. Grs.	5	'48	95½	98½	94½
†West. Grain	6	'49	48½	52½	48½

‡Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Winnipeg Stocks

(Transactions from July 11 to July 16)

	Sales	High for period	Low for period	Close July 16
Central Man.	2,250	.03½	.03½	.03½
Flin Flon	9,000	.04½	.04½	.04½
Gold Lake	100	.02½	.02½	.02½
Gt. Falls M.	2,800	.10	.08	.08
Gurney Gold	6,500	.14½	.13⅞	.14½
Kenricia	100	.26	.26	.26
Mandalay	3,000	.01½	.01½	.01½
Marvel Oils	1,100	.04	.04	.04
Sachigo River	99	17.00	16.25	16.37
Split Lake	1,000	.01⅞	.01⅞	.01⅞
Sunbeam Kirk.	200	.33	.33	.33
United Grain	10	7.25	7.25	7.25
Western Steel	265	10.50	8.50	10.50
West. Grain, pf.	10	12.00	12.00	12.00
Wpg. R. Tin	3,500	.01	.01	.01
Wingold	7,800	.03⅞	.03	.03

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Northern Trust	6	...
Traders' Building	81	...
Western Brew.	1.80	2.50

*Stocks more active on other exchanges not included.

Municipal Bonds

July 19, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	112.50	114.00	4.06
Hamilton	5	1950	113.65	115.65	3.40
Montreal	5	1945	103.50	105.00	4.13
Ottawa	4½	1945	108.30	110.30	2.86
†Quebec	5	1959	104.50	106.00	4.55
Saint John	5	1950	106.50	108.00	4.17
†Toronto	4½	1955	114.00	116.00	3.24
†Vancouver	5	1950	85.00	89.00	6.37
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N. Y.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 19, 1938

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.40	4.75
Algoma Steel, com.	13.00	13.75
Do., pfd.	65.00	67.00
Andian National	40.50	42.00
Anglo Can. Tel., A	8.35	9.00
Barrymore Cloth, pfd.	25.50	28.00
B. C. Pulp & Paper, com.	15.50	....
Do., pfd.	48.00	53.00
B. C. Sugar	81.00	84.00
Burns & Co., A	6.00	7.50
Do., B	2.00	3.00
Can. Airways	1.00	2.25
Can. Industries, A com.	215.00	222.00
Can. Ingersoll Rand	122.00	130.00
Can. Tube & Steel, com.	3.25	5.00
Do., 1st pfd.	63.00	67.00
Chase, A. W., pfd. bonus	26.00	27.50
Claude Neon, pfd.	5.25	6.00
Cons. Sales Book, pfd. bon.	80.00	....
Copeland Flour Units	6.25	....
Corrugated Paper Box, com.	2.25	3.50
Do., rts.	10.00	11.75
Dominion Woollens, pfd.	1.00	1.40
Dunlop Tire, pfd., par $25	18.75	20.00
Easy Washing Machine, pfd.	7.50	....
Federal Grain, com.	2.50	2.75
Do., pfd.	35.00	37.00
Goderich Elevator	6.35	7.00
Guelph Carpet, pfd.	104.00	105.50
Do., com.	19.00	20.50
Hayes Steel Prod., com.	5.50	6.50
Do., pfd.	7.00	8.50
Highland Dairy, pfd.	40.00	48.00
Home & Indust. Bldg. Prod.	3.35	3.75
Kingston Shipbuild. Units	9.00	10.50
Loblaw Inc., pfd. bonus	67.00	....
Morrison Brass, pfd. bonus	6.00	8.00
Morrow Screw, pfd. bonus.	95.00	99.00
Mount Royal Hotel, pfd.	3.25	4.00
Neilson, Wm., pfd.	98.50	....
New Brunswick Tel., com.	12.00	13.00
New Meth. Laund., pfd. bon.	55.00	60.00
Niag. Lower Arch Bridge, com.	68.50	....
Paterson, Wm., pref.	100.50	....
Provincial Paper, pfd.	101.00	102.50
Reliance Grain, pfd.	59.00	61.50
Rob. Cons. Cone	8.10	8.50
Ruddy, E. L., pfd.	24.00	26.50
Seal O Sac (Can.)	3.00	4.00
Standard Fuel, com.	2.00	3.00
Do., pfd.	50.00	54.50
Stedman Bros., pfd. par $50	53.50	55.00
Supertest Pete., B pfd.	27.50	30.00
Toronto Carpet, com.	....	33.00
Do., pfd.	54.50	60.00
United Farmers Co-op.	3.00	4.00
United Steel, A pfd.	17.75	18.50
Viceroy Mfg., pfd. & rts.	21.00	23.00
West. Grain, pfd. bonus	10.50	12.00
Western Steel Prod., com.	11.50	12.00
Weston (Geo.) Foods (Eng.)	3.50	4.00
Willards Choc., pfd.	23.00	....
Wings Limited	.50	.35
Trusts and Loan Stocks:		
British Mortgage	140.00	....
Commercial Finance, com.	2.65	3.10
Guelph & Ont. Inv., par $50	50.00	....
London & Western Trust	30.00	38.00
Monarch Mtge. Inv. Units	.75	1.15
Premier Trust	....	110.00
Sherbrooke Trust	120.00	....
Sterling Trust	43.00	48.00
Traders Fin., A com.	13.50	15.00
Do., B pfd. bonus	84.00	88.00
Trusts & Guarantee	24.50	26.00
Insurance Stocks:		
Canada Life	530.00	545.00
Canadian Ins. Shares	15.50	17.00
Confed. Life, 25% pd.	135.00	....
Continental Life, 20% pd.	30.50	35.00
Crown Life Fully Pd.	215.00	....
Dominion Fire	136.50	....
Dom. of Can. Gen.	110.50	115.00
Empire Life, 25% pd.	10.00	11.25
Federal Fire, 25% pd.	50.50	....
Great West Life	303.00	312.50
Imperial Life	325.00	350.00
Manufacturers Life	250.00	260.00
Monarch Life, 10% pd.	23.00	25.00
Sovereign Life, 25% pd.	12.00	14.00
Sun Life	500.00	515.00
Toronto General	5.00	6.00
Western Assce., pfd.	40.00	42.50
Do., com.	46.00	50.00
Theatre Stocks:		
Allens, Kingston, pfd.	61.00	66.00
Do., London, pfd.	53.00	....
Do., St. Catharines, pfd.	62.00	....
Do., Tor., pfd. bonus com.	32.00	....
Loew's London, pfd.	3.00	4.00
Mansfield Theatre, pfd.	20.00	....
Paramount Kitchener, pfd.	48.00	52.00
Do., Oshawa, pfd.	86.00	90.00
United Amusement, A	15.50	16.50
Investment Trust Shares:		
Can. Investment Fund	3.90	4.25
Can. Investors	6.50	7.50
Inv. Found., pfd. bonus	54.50	57.00
Lon. Can. Inv., pfd.	29.00	35.00
Sec's. Holding, pfd. bonus	16.00	17.50
United Corp., A	20.75	22.50
Do., B	12.50	13.25
Power Issues:		
Can. West. Nat. Gas, com.	24.00	27.00
Do., pfd.	92.00	94.00
Great Lakes Power, pfd.	100.00	104.00
Inter. Util., $1.75 pfd.	7.50	9.00
Do., $7 pfd.	85.00	....
Montreal Island Power, pfd.	19.00	21.00
Northern Ont. Power, pfd.	97.00	101.00

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
July 19	63,700	115,600	1,037,000
July 18	35,100	54,600	1,069,000
July 16	23,500	20,400	521,000
July 15	45,200	44,700	950,000
July 14	40,500	51,700	557,000
July 13	47,100	75,000	786,000

Unlisted Mines

TORONTO
July 19, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Addington	.12	.14	Gorham G.	.07½	.08½	Pascalis	.35	.38
Albany R.	.29	.30	Halnor	7.00	7.25	Porc. L.	.09½	.11
Algoma S.	.19	.21	Halliwell	..	.07	Porc. McN.	.04½	.04½
Algold	..	.30	Hayes C.	..	.11	Plains P.	1.80	1.95
Amorada	.04	.05	Hud. Pat.	.00⅞	.01½	Planet	..	.10
Arjon	.04	.05	Hislop	.02	.03	Pont Rou.	.09	.10
Armistice	.03	.04	Hiawath	1.80	1.85	Portage	..	.23
Argosy	.04⅞	.05½	Hutch. L.	.03½	.04	Pelangio	.04½	.06
Arno	.01½	.02½	Hugh P. P.	.09½	.10	Polaris	.20	.22
Athona	.07½	.08	Keora	.03	.04	Prop'ary	1.70	1.75
Area	.08½	.08⅞	Keystone	.01½	.02	Queb. Man.	.20	.21
Bailor	.01	.01½	Kaw Crow	.02	.08	Rand Mal.	.36	.38
Barb. Lar.	.30	.31	Kenricia	.24	.26	Rajah	.03	.04
Bear	.40	.42	Kerry G.	.26	.28	New Rib.	.05½	.05½
Bid'maque	.02	.03	Kewagama	.08	.09	Richrock	.05	.06
Big Master	.05	.05½	Kirvit	.03½	.04	Ronda	.18	.22
Bilmac	.09½	.11½	Kingfisher	.01	.01½	Rouyn R.	.02	.02½
Baldwin	.01½	.01½	Kirk. Gate	.13	.14	Rubec	.01½	.02½
Bufbeard	.16⅞	.17½	Kirk. Hunt.	.01⅞	.02½	Sachigo R.	.16	.17
Cuniptau	.06	.07	Lacoma	.07½	.08½	Sand R.	.19	.21
Cald. Bous.	.04	.05	Lafayette	.01½	.02	Shenango	.03⅞	.04½
Camlaren	.30	.32	Lake Gen.	..	.19	Sheldon	.13	.14
Can. Pand.	.04½	.05½	Lake Rose	.08	.09	Silver V.	.03	.03½
Can. Kirk.	.01½	.01½	Lamaque	6.00	6.30	Siscoe Ex.	.19½	.21
Cap. Rouyn	.02½	.03½	Lardego	.02½	.03½	Smelter	.05	.05½
Cent. Man.	.03	.03⅞	Lucky Kir.	.03½	.04½	So. Keora	..	.06
Chan. Yell.	.44	.46	Magnet L.	.11½	.12½	Spooner	..	.06
Cheminis	.06	.07	Magnet C.	..	.06	Sturg. R.	.17	.20
Coin Lake	.06	.07	Mal. Gold	.47	.49	Sunbeam	.32	.34
Crowshore	.10	.11	Martin B.	.19	.21	Sunbear	.04½	.05
Cont. Kirk.	.14	.15	Mat. Can.	.06	.07	Surf. Inlet	.10	.10½
Dawson	.02⅞	.03	Moffatt Hall (new)	.02½	.03½	Springer	.09½	.10½
Delandore	.07	.09	McF. L. L.	.03½	.04	Tonawanda	.05⅞	.06
Delwood	.02½	.03	McC. Webb	.07	.08	Upper Can.	.53	.55
Desantis (new)	.31	.33	McV. Kirk.	.02½	.03½	Virita	.12	.14
Doreva	.09⅞	.10½	Monarch	.02⅞	.03	Wascanna	..	.12
Devon	.18	.20	Mosher	.19	.20	Williamson	.03	.03½
Donmartic	.05½	.06½	Mooshla	.07	.08	Wilport	.05½	.06½
Dunlop (new)	.02½	.03½	Norlake	.04½	.05½	Wesley	.03½	.04½
Elmos	.26	.28	Negus	.90	1.00	Wells L. L.	.11	.12½
East. Lac	.03	.04	Nor. Shores	.01½	.02	Westside	.03	.03½
Frontier	.04	.05	Oklend	.23	.25	White H.	.05	.06
Gate Pat.	.02½	.03½	O'L Mal.	.04	.05	Winoga	.07	.08
Gilbec	.02	.02½	Opemiska	.10	.11	Woco	.30	.32
Goldside	.01½	.01⅞	Oriole	.03½	.04½	Ypres Cad.	.03½	.04½
Gold Gate	.51	.53	Ossian	.04½	.05	Young D.	.18	.20
Gord. Lebel	.02½	.04						

MONTREAL
July 19, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Abbeyville	.13	.14	Dempsey Cad.	..	.03	Obalski	.05½	.06½
Amity	.01	.02	Dorval Units	..	9.00	Pan. Canadian.	.11	.12
Barber Larder.	.30	.32	Lake Rowan	.07	.09	Porc. Lake	..	.14
Brown Cadillac	.01	.02	L. L. Lagoon	.03½	.05	Routhier Cad.	.04	.06
Chibmac	.02½	.03½	Leroy	.01½	.02	Valdor Min.	1.00	1.10
Cournor	..	.20	Margaret	.10	.15	Wawbano	.01½	.02
						Westwood Cad.	.11	.12

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

	July 19, 1938	Bid	Asked	Approx. Yld.
	Dominion of Canada Bonds			
■2	1 Jan. '39	100.75	101.25	...
1	1 June '39	100.00	100.45	.50
2	15 Nov. '39	101.25	101.75	.67
2½	15 Oct. '39	101.75	102.25	.70
4	15 Oct. '39	103.65	104.05	.95
1½	1 June '40	100.75	101.25	.82
4½	1 Sept. '40	106.50	107.00	1.15
1	15 Mar. '41	99.50	100.00	1.00
5	15 Nov. '41	110.25	110.75	1.66
2	1 June '42	101.50	102.00	1.47
3	15 Oct. '42	104.75	105.25	1.71
2½	1 June '43	102.75	103.25	1.80
5	15 Oct. '43	113.25	113.75	2.21
2	1 June '44	99.62	100.12	1.98
■2¼	15 Jan. '44	101.50	102.25	▲1.72
4½	15 Oct. '44	111.75	112.25	2.38
2¼	15 Nov. '44	101.75	102.25	2.11
■2½	15 Aug. '45	102.75	103.25	▲1.83
4	15 Oct. '45	108.25	108.75	▲2.22
4½	1 Feb. '46	112.00	112.50	2.67
3¼	1 June '49	102.75	103.22	▲2.79
3½	15 Oct. '49	104.00	104.50	▲2.71
3¼	15 Nov. '51	102.25	102.75	▲2.94
■3	1 May '52	111.87	112.62	▲1.59
4	15 Oct. '52	108.00	108.50	▲2.97
3	1 June '55	98.75	99.25	3.06
4¼	1 Nov. '56	111.25	112.00	▲2.90
4½	1 Nov. '57	111.50	112.25	▲3.01
3	1 June '58	98.25	98.75	3.08
4½	1 Nov. '58	112.00	112.50	▲3.10
4½	1 Nov. '59	112.50	113.00	▲3.14
■4	1 Oct. '60	109.75	110.50	▲2.99
■3¼	15 Jan. '61	103.00	103.75	▲2.97
3¼	1 June '66	100.25	101.00	▲3.18
■3	15 Jan. '67	98.25	99.00	3.05
■3	Perp. bonds	88.75	89.50	3.35
	Dominion Guaranteed Bonds			
	Canadian National Railways:			
2	15 Jan. '42	100.50	101.50	1.56
2	15 Feb. '43	99.75	100.75	1.82
3	1 May '44	103.50	104.50	2.17
3	15 Dec. '50	98.50	99.50	3.05
3	15 Feb. '53	98.00	99.00	3.09
*4½	1 Sept. '51	114.75	115.75	3.07
*4½	1 Feb. '56	115.25	116.25	3.30
†4½	1 July '57	114.75	115.75	3.37
*4¾	15 June '55	117.50	118.50	3.32
5	1 Feb. '54	118.25	119.25	3.43
*5	1 July '69	116.25	117.25	▲2.65
*5	1 Oct. '69	119.50	120.50	▲3.21
*5	1 Feb. '70	119.50	120.50	▲3.22
	Provincial Government Bonds			
	New Brunswick:			
3	15 Oct. '51	92.50	94.00	3.56
3½	15 June '56	94.50	96.00	3.81
†4	15 Nov. '47	101.50	103.00	▲3.53
†4½	15 Apr. '61	104.00	105.25	4.14
†5	15 Jan. '60	109.00	110.50	4.25
	Nova Scotia:			
3	2 Jan. '52	96.50	98.00	3.19
3¼	1 June '56	98.50	100.00	3.25
3½	15 Dec. '49	101.75	103.00	3.19
†4½	15 Sept. '52	109.75	111.00	▲3.11
†4½	15 Nov. '60	111.00	113.00	3.65
†5	1 Mar. '60	116.50	118.00	3.78
	Ontario:			
2½	15 May '45	100.75	101.75	2.22
3	1 Dec. '51	98.50	99.50	3.05
3¼	15 Nov. '51	101.00	102.00	▲3.05
*4	1 June '62	108.00	110.00	3.39
4½	1 June '50	112.00	113.00	3.19
*4½	15 Jan. '62	115.00	117.00	3.44
5	15 Oct. '48	116.00	117.00	3.09
*5	2 Dec. '60	121.50	123.00	3.51
5½	1 July '46	116.75	117.75	2.98
	Ont. Hydro Comm.:			
3¼	1 Feb. '53	100.00	101.00	▲3.15
3½	1 Apr. '47	102.50	103.50	3.04
4¾	1 Jan. '70	118.00	120.00	3.67
	Prince Edward Island:			
3	1 Oct. '45	99.50	101.00	2.85
	Quebec:			
3	1 Nov. '51	97.75	98.75	3.11
3¼	1 Mar. '48	100.75	101.75	3.03
3¼	1 June '52	99.75	100.75	3.18
4	15 Mar. '52	106.00	108.00	3.28
4¼	1 Aug. '58	109.50	111.00	3.48
4½	2 Jan. '63	112.00	114.00	3.63
	Alberta:			
4	15 Dec. '54	52.00	56.00	§
4½	1 Oct. '51	58.00	62.00	§
†4½	1 Oct. '56	53.00	57.00	§
*5	1 Oct. '59	55.75	59.75	§
†5½	1 Apr. '52	56.25	60.25	§
6	1 Mar. '47	58.75	62.75	§
	British Columbia:			
†4	1 Dec. '57	87.75	90.75	4.73
*4½	15 Jan. '51	96.50	99.50	4.55
†4½	1 Oct. '53	95.50	98.50	4.63
†5	25 Apr. '54	98.75	101.75	4.84
5½	1 Feb. '45	101.00	104.00	4.78
6	15 Feb. '47	103.00	106.00	5.12
	Manitoba:			
†4	1 Dec. '57	82.25	86.25	5.12
†4½	15 Dec. '56	86.00	90.00	5.36
*5	2 Dec. '59	92.25	96.25	5.29
5½	1 Oct. '55	96.50	100.50	5.45
6	1 Apr. '47	99.00	103.00	5.56
	Saskatchewan:			
4	1 Nov. '60	70.75	74.75	6.07
†4½	1 Oct. '51	79.00	83.00	6.40
†4½	15 Mar. '60	75.00	79.00	6.27
5	1 Aug. '58	80.75	84.75	6.36
5½	1 Oct. '52	84.75	88.75	6.72
6	15 Mar. '52	87.75	91.75	6.93

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pfd.	$1.50	Sept. 1	Aug. 15
Ault & Wiborg, p.	$1.37½	Aug. 1	July 15
Anglo-Can. Tel., p.	68¾c	Aug. 1	July 15
Assoc. Tele., 1st pf.	49c	Aug. 15	July 30
Do., $6 pref.	42c	Aug. 15	July 30
Blue Ribbon, pf.	50c	Aug. 1	July 27
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
B. C. Tele., 2nd pf.	$1.50	Aug. 1	July 16
Buff. Ankerite	25c	Aug. 15	Aug. 1
Beattie Gold	5c	Aug. 20	July 29
Beatty Bros., 1st pf.	$1.50	Aug. 1	July 15
Can. Nor. Power	30c	July 25	June 30
Canada Bud	20c	July 26	July 15
Can. South Rly.	$1.50	Aug. 2	June 28
Can. Bk. of Com.	$2	Aug. 1	June 30
Coniagas Mines	12½c	Aug. 8	July 30
Can. Indust., A, B	$1.50	July 30	June 30
Can. Bronze	37½c	Aug. 1	July 20
Do., pref.	$1.25	Aug. 1	July 20
Can. Malartic	3c	Aug. 4	July 19
Coast Brew.	†3c	Aug. 1	July 14
Calgary Power, pf.	$1.50	Aug. 1	July 15
Can. Investors	10c	Aug. 2	July 18
Cons. Press, A	25c	Aug. 2	July 15
Crown Cork	25c	Aug. 15	July 30
Can. Inv. Fd., sp. & ord.	4c	Aug. 1	July 15
Dist.-Seagram, pf.	$1.25	Aug. 1	July 20
Dom. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
Dominion Tar, pf.	$1.37½	Aug. 1	July 12
Dome Mines	$1	July 20	June 30
East. Theatres, pf.	$3.50	July 30	June 30
Farmers Tele., c.	62½c	July 30	June 30
Fleury-Bissell, p.	$1.25	July 22	July 19
Hyd.-Elec. Sec., B p.	25c	Aug. 1	July 18
Do., com.	20c	Aug. 1	July 18
Humberstone Shoe	50c	Aug. 1	July 15
Inter. Nickel, pfd.	$1.75	Aug. 1	July 2
Int. Metal, pfd. & pf. A	$1.50	Aug. 1	July 15
Imperial Bank	$2.50	Aug. 1	June 30
Inter. Utilities pf.	$1.75	Aug. 1	July 20
Do., $3.50 pref.	87½c	Aug. 1	July 20
Inter. C. Baking	$1.25	July 31	July 15
McIntyre Porc.	50c	Sept. 1	Aug. 1
Mtl. L. H. & Pr.	38c	July 30	June 30
Nat. Biscuit	40c	Oct. 15	Sept. 16
Do., pref.	$1.75	Aug. 31	Aug. 12
Oxford Pipe, pf.	3½%	Aug. 2	July 15
Ont. Steel	50c	Aug. 15	July 30
Do., pref.	$1.75	Aug. 15	July 30
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Power Corp., com.	*30c	July 25	June 30
Quebec Power	25c	Aug. 15	July 25
Rolland Paper	25c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 15
Royal Bank	$2	Sept. 1	July 30
South. Can. Pr., c.	20c	Aug. 15	July 30
Saguenay Pr., pf.	$1.37½	Aug. 1	July 15
Steel of Can.	43¾c	Aug. 1	July 7
Do., pref.	43¾c	Aug. 1	July 7
Silbak Prem.	†4c	July 25	July 5
St. Law. Flour	25c	Aug. 1	July 20
Do., pref.	$1.75	Aug. 1	July 20
Simpsons, pfd.	$1.25	Aug. 1	July 23
Toburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	‡$1	Sept. 1	Aug. 15
United Corp., A	38c	Aug. 15	July 30
Walker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
Weston, Geo., pf.	$1.25	Aug. 1	July 15
Willson Stat., pfd.	$1.25	July 15	June 30
Wood, A. & James	‡$1.75	Aug. 1	July 26

*Interim. †Initial. ‡On arrears.

Dividend Deferred:

Dominion Rubber, pfd., due June 30. Last paid $1.75 Mar. 31, 1938.

DIVIDEND NOTICES

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st July, 1938, payable 15th August, 1938, to Shareholders of record at the close of business on the 30th July, 1938.

By Order of the Board,
F. W. EVENS,
Secretary.

Montreal, Que.
19th July, 1938.

Acme Farmers Dairy, Ltd. Makes Directorate Changes

W. R. Aird, Montreal, was elected president of Acme Farmers Dairy at the annual meeting of the company to succeed G. A. Aird. Bower Henry, Ottawa, was elected to the board. Other members include: Hon. G. S. Henry, vice-pres., Todmorden, Ont.; J. G. Cornell, Scarborough, Ont.; D. H. McDougall, Toronto.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 206

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1938, and that the same will be payable at the Bank and its Branches on and after Monday, 1st August next, to shareholders of record at the close of business on 30th June, 1938. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 24th June, 1938.

The Royal Bank of Canada

DIVIDEND NO. 204

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of September next, to shareholders of record at the close of business on the 30th day of July, 1938.

By order of the Board.
S. G. DOBSON,
General Manager.

Montreal, Que., July 12, 1938.

The Bank of Toronto

Dividend No. 228

Notice is hereby given that a **Dividend of Two and One-Half** per cent. upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of September next, to shareholders of record on August fifteenth, 1938.

By Order of the Board.
H. B. HENWOOD,
General Manager.

Anglo-Canadian Telephone Company

PREFERRED DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and Three-Eighths Per Cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the Quarter ending July 31, 1938, payable August 1, 1938, to Stockholders of record at the close of business on July 15, 1938.

By Order of the Board.
GEOFFREY PURDY,
Secretary.

Montreal, July 14, 1938.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 15th, to shareholders of record July 25th, 1938.

By order of the Board.
JAMES WILSON,
Secretary.

Montreal, July 13, 1938.

SIMPSONS, LIMITED

Preference Dividend No. 28

NOTICE is hereby given that a Dividend of One dollar and twenty-five cents ($1.25) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable on August 1, 1938, to shareholders of record at the close of business on July 23, 1938. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, July 14, 1938.

Zeller's Limited

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) per cent (37½ cents) on the Preferred Shares payable August 1st, 1938, to Shareholders of Record July 15th, 1938.

By Order of the Board,
T. E. McDERMOTT,
Secretary-Treasurer.

BLUE RIBBON CORPORATION LIMITED

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after the first day of August, 1938, to the holders of preference shares of record at the close of business on the 27th day of July, 1938.

DATED AT TORONTO this 13th day of July, 1938.

J. C. JAMIESON, Secretary.

McIntyre Porcupine Mines

LIMITED

(No Personal Liability)

DIVIDEND NO. 79

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on September 1st, 1938, to shareholders of record at the close of business on August 1, 1938.

By order of the Board.
BALMER NEILLY,
Treasurer.

Dated at Toronto, July 15, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Market Waits Price Moves On New Crop

U. S. Loan Policy, Canadian Wheat Minimum Uncertain

MAY BE QUICK SALE

From Our Own Correspondent

WINNIPEG.—Wheat farmers and grain trade of this continent are now as keenly interested in price moves at Ottawa and Washington as in the rapidly maturing crops of the Prairie Provinces. Although the United States Government has announced a surplus wheat loan policy of approximately 60 cents per bushel details are not fully worked out and there is some confusion regarding ultimate market effect.

A minimum buying price is expected to be announced for the Canadian Wheat Board at Ottawa within the next few days and certainly before the end of the crop year, July 31. Guesses range all the way from 70 cents to $1 with the majority near the lowest figure.

The Canadian Wheat Board might be able to pay a minimum of 70 cents and still get rid of its wheat beneath the United States umbrella because of the usual premium on the hard wheat produced in this country and the British preference of five cents a bushel. In other words our wheat at 70 cents a bushel would be actually cheaper than the average American at 60.

Bearish Effect

Announcement of the United States Government loan plans last week was regarded as having a bearish effect on North American markets and apparently for two separate reasons. One block of traders takes the view that the result of the scheme will be to bring the United States Government back into the wheat business in a large way and usually such a move eventually results in lower rather than higher prices. In any case they seem to have no desire to be in a market in which the Government is a predominant factor.

Another group believes that the loan prices announced may have the tendency to create a ceiling to the market, establishing a danger that the loan or minimum price might become a maximum. This possibility has not yet been offset, although it may be later by an announced plan of the United States Department of Agriculture to bring about for next year a sharp reduction in wheat acreage.

This would be done, it is planned, by payments on a soil conservation programme, amounting to about $125 millions. This would be paid to farmers for keeping land out of wheat under the guise of soil conservation.

U. S. Plan

A farmer who borrows money on the loan plan will be able to get amounts roughly averaging something under 60 cents a bushel on grain of specific grades sealed on the farm. He can sell his grain at any time he likes and pay off the loan or he can wait until May 31 next and deliver the grain to the Government in full discharge of his obligations.

If he has kept the grain in storage on the farm he will be paid seven cents a bushel additional at the time of delivery. Or, lacking farm storage, wheat may be deposited in certain specific terminal elevators and the loan will be somewhat higher, by the amount of freight charges paid.

On such grain the Government will pay the carrying charges up to May 31, at which time the wheat will become its property unless the farmer chooses to pay off his loan, plus accumulated storage charges. This, of course, he would only do if the market should rise.

A reasonable probability is, therefore, that the United States Government will become the owner of a large block of wheat, possibly up to 200 million bushels. This, according to plan, would be carried forward in order to provide assurance against crop failures in future years, in accordance with the idea of an ever normal granary.

May Help Canada

Only the highest grades of wheat are to be eligible for loans. In consequence, off-grade wheat, of which there is a considerable quantity, may form a preponderant part of early marketings, perhaps falling to a feed basis in competition with corn. It may be that a sufficient quantity of high-grade milling wheat will be tied up under the loan plan to reduce the competition of United States wheat with that of Canada in export trade.

Mining Dividends

	Rate	Close July 18	Yield %
Anglo-Huronian	10c	3.10	3.2
Beattie Gold	10c	1.21	8.3
Bralorne	60c+30c	9.50	*9.5
Buffalo Ankerite	$1	16.00	6.2
Bulolo Gold	$3	28.50	10.5
Can. Malartic	6c	.90	6.7
Cariboo	10c+4½c	2.50	*5.8
Central Patricia	12c	2.50	4.8
Coniagas	25c	1.75	...
Coniaurum	‡5c	1.36	...
Cons. Smelters	50c+50c	60.25	...
Dome Mines	$2	29.75	6.7
Falconbridge	30c	6.00	5
Gunnar Gold	†3c	.77	3.9
Hedley Mascot	12c+3c	1.09	*13.7
Hollinger	65c+45c	14.50	*7.6
Howey Gold	4c	.27	...
Hudson Bay	$1.75	30.00	...
Inter. Mining	25c	9.00	...
Int. Nickel, com.	$2+25c	50.50	*4.4
Island Mountain	5c	1.07	4.7
Jack Waite	†1½c	.53	...
Kerr Lake	5c	.50	10
Kirkland Lake	8c	1.40	5.7
Kootenay Belle	9c+1c	1.18	*8.5
Lake Shore	$4+$1	51.00	*9.8
Lava Cap M.	5c	.95	...
Little Long Lac	10c	3.45	...
Macassa	20c	4.60	4.3
McGillivray Creek	3c	.20	...
McIntyre Porc.	$2	44.00	4.6
McKenzie Red Lake	12c	1.12	10.7
McKinley Sec.	5c	.60	8.3
Noranda	‡$2	69.25	...
Nipissing	37c	1.70	...
North. Empire	50c	8.50	5.9
Oro Plata	†4c	.78	...
Pioneer, B.C.	40c	2.96	13.5
Pickle Crow	40c	4.60	8.7
Placer Develop.	$1.20	16.00	7.5
Premier	12c	2.25	5.3
Reno	12c	.46	...
San Antonio	14c	1.26	11.1
Sheep Creek	12c+2c	.95	*14.7
Silbak Prem.	†4c	1.95	...
Siscoe	20c+1c	2.19	*9.5
Sudbury Basin	10c	2.90	3.4
Sullivan Cons.	5c	.96	5.2
Sylvanite	20c+5c	3.25	*7.7
Teck-Hughes	40c+10c	4.55	*11
Toburn	8c+4c	2.10	*5.7
Ventures	37½c	5.75	6.5
Wright-Harg.	40c+30c	7.55	*9.3

†Initial. *Yield includes bonus.
‡Interim.

Week in Wheat

Strength of Liverpool Welcome Development

Market Tone Improves Despite Reports of Larger Crops in Europe and Heavy United States Selling — Securities Rise Is Factor

From Our Own Correspondent

WINNIPEG.—Unexpected firmness at Liverpool put some strength into the wheat market at the beginning of the week. This was a welcome development, in view of reported improvement in European crops, with prospects of total yields in excess of last year, and also very heavy wheat marketings in the United States.

The trend toward improving business conditions in the United States, following recent stock market advances, is understood to have had a favorable influence on wheat prices.

Vancouver Ships

Wheat stocks at Vancouver are down to about 100,000 bushels, and it is expected that elevators there will be completely cleared out before new crop begins to move. While occasional cars are still shipped from Alberta to Vancouver, little more of such business is expected. The tendency is for practically all grain in Alberta elevators to be rushed as soon as possible to the head of the lakes, where wheat is currently from seven to eight cents a bushel more than at Vancouver. Disappointing as has been this year's business, Vancouver exporters are hoping for a good trade in the new crop year, because of the large production in prospect for Alberta.

* * *

Southern Hemisphere

Australia appears to have had enough rain to allow the seeding of a wheat acreage practically equal to that of last year. Approximately half the country, however, is complaining of deficient moisture supply. While there is plenty of time for this condition to be corrected, Liverpool is evidently paying some attention to the possibility of poor yields in Australia.

In Argentina, on the contrary, new wheat appears to have got away to a good start.

* * *

Scraping Bins

The end of the crop year on July 31 will see practically every bushel of hard wheat out of Canadian storage. It will be the best clean-up in many years, if not a record. Even current supplies of durum type appear to be moving out fairly well. Total visible supplies of all wheat were down to less than 24 million bushels last week. A 30-million carryover at July 31 is considered normal.

Grain companies, in order to get current supplies out of the country, have adopted the unusual procedure of trucking small remaining lots of grain from country elevators to make up total carlots for straight shipment to the head of the lakes.

* * *

Noted Expert Dead

Regret has been general in the grain trade at the recent death in Liverpool of George J. S. Broomhall, founder of the famous statistical and forecasting service bearing his name. He was 82 when he died, and in his lifetime had watched the development of world trade in grains from neglible to gigantic proportions. His entry into the grain business preceded the first shipment of wheat from Canada in 1876. Growth of exports of wheat and other grains from Canada, the United States and other countries was paralleled by rise of his service as unquestioned authority on grain production, movement and demand. The organization he built up will continue to be operated by his sons and associates.

Mining Options

Aurex Larder Gold Mines—An extension of 60 days has been granted John Daniel & Son on options to purchase 1,400,000 shares, under agreement April 16.

Barber Larder Gold Mines—Issued shares number 2,290,005, not 2,435,005, as previously published.

Delwin Mines—G. Howard Lambert, Buffalo, agreed, July 7, to buy 30,000 shares for $1500, payable forthwith, and received option on further 438,350 shares at prices from 5-10 cents.

Kelsey Gold Mines—Robert T. Guild, Toronto, agreed, June 8, to purchase 10,000 shares at 5 cents, payable forthwith, and received option on further 1,965,000 shares at prices from 5-75 cents.

McBine Porcupine Gold Mines—Agreement May 2, providing for payment of 80,000 shares within three months and balance at minimum of $5,000 per month has been amended and now requires 30,000 shares to be taken up within three months and balance to net minimum of $2,000 per month.

Red Indian Gold Mines—Ian Munro, Toronto, agreed, May 27, to purchase 33,333 shares for $1,000, payable forthwith, and received option on balance of treasury stock at prices from 3-25 cents.

Sentinel Mines—D. M. Hogarth, Toronto, agree, July 2, to purchase 500,000 shares at 20 cents per share, $50,000 by July 15, $50,000 by October 15, and received option to purchase 1,000,000 shares—500,000 at 20 cents per share, payable by June 8, 1939, and 500,000 shares at 25 cents, payable by Dec. 8, 1939.

Naybob Gold Mines—By agreement July 14, company sold to Brooklands Ltd. 60,000 shares at 60 cents per share, and granted option to Brooklands Ltd. on additional 50,000 shares at $1, exercisable by Sept. 27, 1938.

Homestead Oil & Gas Ltd.—To meet certain immediate financial commitments, company sold 66,000 shares at 20 cents on July 19 to W. R. Salter, vice-president, acting as trustee for himself and Walter E. Hurd, president.

Stadacona Rouyn Mines—Payment has been received from R. P. Pattee and associates for 250,000 shares at 40 cents. Mr. Pattee is a partner in Dungin & MacMartin. Company advises that arrangements were made at a meeting of the board of directors on June 25 last, and that inadvertently the Toronto Stock Exchange was not notified.

By agreement July 14 with John W. Noble, Toronto (which will be assigned by him to Brooklands Ltd. of Toronto), the company sold 25,000 shares at 50 cents and granted option exercisable within nine month of 75,000 shares at 50 cents, 100,000 shares at 75 cents and 100,000 shares at $1.

Gillies Lake-Porcupine Gold Mines—50,000 shares were sold July 13 to John F. Conroy, Jr., 2 Rector St., New York, at 12½ cents and an option granted on 225,000 shares, exercisable in four 50,000-share blocks at 15, 17½, 20 and 25 cents per share by July 28, Aug. 12, Sept. 11 and Oct. 11, and 25,000 at 30 cents by Nov. 10.

Hargal Oils—Has issued 50,000 shares in consideration of 37,500 shares of Freehold Hargal Royalties No. 7 B Ltd., and has issued 150,000 shares for 25,000 shares of Coast Drilling Co. Ltd.

Payore Gold Mines—Has received payment for balance of the purchase price of 50,000 shares at 11 cents, the August 1 installment of the underwriting clause of agreement with H. P. Pedden & Co. Ltd. Next payment for 50,000 shares at 12 cents has been extended from August 1 to 15.

B.C. Trade Is Surveyed

Dependence on U. S. and U. K. Exports Shown

From Our Own Correspondent

VANCOUVER.—Importance of the British market to British Columbia because of the latter's dependence on the export of primary goods, is demonstrated in a new survey by G. Neil Perry, head of the government bureau of economics.

This survey shows that British Columbia's trading interests lie as much with the United Kingdom, 6,000 miles away, as they do with the United States, just across the border. It shows that British Columbia's trade, rapidly increasing throughout the world, is now valued at close to a quarter billion dollars.

The favorable trade balance which the province must have to service its debts is now about $20 millions a year and growing.

There is a time lag of 18 months in this survey, and the facts and figures contained in it refer to the year 1936. Nevertheless it represents the only effort made by a Canadian provincial government to check up on its economic resources from year to year, and for that reason is of special significance.

Intra-Empire Trade

In 1936, according to the survey, British Columbia sold $34,039,195 worth of goods to the United States, and $34,021,571 to the United Kingdom. These two markets absorbed 60% of the province's total exports. Fastest expansion was noted in the trade between British Columbia and Empire countries.

The province buys more from the United States than from the United Kingdom. But the difference is relatively small, $11,918,324 representing purchases from the United States and $10,290,466 those from the United Kingdom. There was a gain of 15% in total trade done by the province in 1936 as compared with 1935.

Eastern Canada ranked next to the U. K. and U. S. as customers of British Columbia, taking $18,887,000 worth of goods. The prairie provinces bought to the extent of $10,278,000 in the B. C. market. Japan ranked next to the U. S. and U. K. among overseas buyers, with $11,160,000 of purchases in British Columbia, as much as Australia, China and South Africa, the three next countries, combined.

Lumber made up about 40% of the province's total export trade—valued at $56,901,000. Minerals exported were valued at $45,218,069, fish $12,935,000; and fruit, $9,072,118.

Output of Senior Golds Is Equalled by Juniors

"Gold Mining in Canada," a new booklet issued by Nesbitt, Thomson & Co., reveals that the output of junior gold mines in the Dominion has finally caught up with the total output of the senior producers. Based on preliminary figures, junior gold mines produced 1,826,000 oz. of gold in 1937, compared with 1,663,000 oz. produced by six senior gold mines; in 1932, the juniors' output was 481,000 oz., as against 2,021,000 oz. produced by the senior mines.

While output from the juniors includes production from many small properties not on a regular production basis, there were 87 junior mills operating regularly during 1937, and during the first half of 1938 an additional 15 mills have been completed.

Saskatchewan Deficit Lower

Special Subsidy from Ottawa Results in Better Showing

Grants of $3.5 millions from the Dominion Government enabled Saskatchewan to reduce its revenue deficit in the year ended April 30 to $191,940. This is the best showing made by the province since 1929 when a surplus of $1,130,168 was reported.

Results for the 1937-38 fiscal year were better than in 1936-37 when a deficit of $1,128,166 was reported. However, this was entirely due to aid from the Dominion Government. Revenues of the province, exclusive of the special subsidy, were about $1 million lower than in the previous year and expenditures were $2.7 millions higher.

Expenditures Increase

Revenues for the year, including the special subsidy, amounted to $19,114,586, compared with $16,526,393 in the previous year. Expenditures on revenue account totalled $19,114,586, compared with $17,654,559 in 1936-37. These figures do not include relief expenditures, which are capitalized.

A further subsidy will be paid Saskatchewan by the Dominion this year. Its amount will probably depend on how the revenues of the province respond to betterment in crop conditions. Last year the Dominion voted a special subsidy of $1.5 millions on the recommendation of the Bank of Canada. This was subsequently increased to $3.5 millions when revenues were adversely affected by the severe crop failure.

Commodities

Commodities generally appear to be consolidating recent gains with some slight easing from the high points. Most of the basic industrial items like copper and rubber remain firm. Cotton is an exception with a tendency this week toward lower values.

Lower prices for wheat continue to drag down the level of the Canadian list though this trend has been offset to some extent by continuing strong livestock prices.

Details of price changes are as follows:

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$7.65	$8.00	$9.50
Hogs	12.35	12.15	10.90
Copper, lb.	.0975	.0975	.14
Cotton, lb.	.0864	.0903	.1252
Rubber, lb.	.1496	.1510	.1890
Sugar, raw, lb.	.0285	.0272	.0347
Silk, lb.	1.85½	1.81	1.98½
Wheat, Man. (bus.)	.98⅛	1.01¼	1.51¼
Coffee, lb.	.04⅞	.04⅞	.09⅜
Hides	.11	.11	.17
Weekly Indices			
Canada (D.B.S.)	79.9	80.4	86.2
Do., Wood, Gundy	57.9	56.7	52.6
U. S. Labor	77.9	78.2	87.2
Dow Jones (future)	49.95	50.26	71.45
Crumps (Brit.)	73.3	73.6	83.4
Fishers'	81.7	81.2	92.5

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	84.1	84.2	82.6
W'sale (June)	79.9	80.3	84.1
U. S. (Apr.)	78.7	79.7	88.0
Gt. Brit. (Apr.)	103.1	104.1	108.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Hollinger Earnings $2,788,252 in 6 Mos.

Net profit of Hollinger Gold Mines Limited is estimated at $2,788,252 for the first half of 1936 according to a statement just issued. This is equivalent to 56.7 cents per share, compared with 55 cents a share in the first half of 1937. Recovery per ton was $8.96 which is slightly higher than the recovery shown for the period a year ago at $8.57.

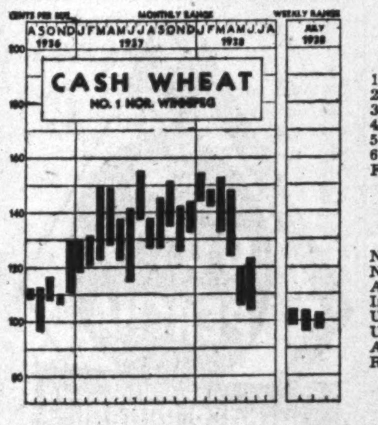
Estimated Earnings

Six Months Ended June 30

	1938 $	1937 $
Value of bullion prod.	7,636,178	7,235,486
Less oper. exps.	4,672,471	4,723,870
Est'd. oper. profit	2,963,707	2,561,616
Add other income	139,465	144,713
Est'd. net profit from oper. before deprec.	3,103,172	*2,706,329
Deprec. & writeoffs	314,920	......
Est'd. net profit from operations	2,788,252	*2,796,329
Earnings per share	.567	.55
Tons milled	852,077	849,844
Recovery per ton	$8.96	$8.57

*Before surplus adjustments.

Wheat Prices



(Cash Quotations)

	For Week July 19 High	For Week July 19 Low	Prev. Week High	Prev. Week Low
1 Northern	1.02⅛	.97¼	1.03⅝	.96⅝
2 Northern	.99¼	.94⅝	1.00¾	.92⅞
3 Northern	.95	.89¼	.96½	.88⅞
4 Northern	.87	.79⅝	.89	.82⅞
5 Wheat	.68½	.64½	.69¾	.66⅞
6 Wheat	.62½	.58¾	.63⅜	.60⅞
Feed Wheat	.60½	.58¼	.61⅜	.58⅞

Competitive Export Prices:
July-Aug. shipments:

	Week to July 19 High	Low
No. 1 North. (Van.)	1.21½	1.13
No. 3 North. (Atlan.)	1.17⅜	1.10⅜
Australian (afloat)	.99⅜	.97⅞
Indian (choice Karachi)	.94¾	.94⅛
U. S. Hard Winters	.93⅝	.88⅞
U. S. White Pac.‡	.90⅛	.85
Argentine Barusso	1.01¾	.97¼
Russian†	.90⅛	.87⅜

†New crop.
‡Loading.

Winnipeg Grain Futures

Week to July 19, 1938

Crop year from Aug. 1, 1937 High	Low		Open July 13	High for week	Low for week	Close July 19	Close year ago
		Wheat					
1.22½	.88⅛	July	1.04½	1.04½	.96¼	.99¾	1.51
1.03	.73¾	Oct.	.81⅞	.81⅞	.76¼	.77½	1.42¾
.86⅜	.73¼	Dec.	.80	.90	.74⅝	.75⅛	1.38¾
.88⅞	.76	Nov.	.80½	.81	.76	.77⅛	......
		Oats					
.49	.40⅝	July	.45⅞	.45⅞	.41½	.41½	.67
.44	.34¼	Oct.	.36¼	.36¼	.34¼	.34⅜	.54¼
.35⅝	.32	Dec.	.....	.32¾	.32	.32⅜	.50⅞
		Barley					
.63⅜	.47⅞	July	.50½	.50½	.47⅞	.48⅝	.69¾
.55	.46⅝	Oct.	.49¼	.49¼	.46⅝	.47⅛	.65¼
.49¾	.45	Dec.	.47	.48	.46	.45½	.64¼
		Flax					
1.77¾	1.32½	July	1.46	1.46½	1.45	1.45	1.82
1.52	1.33½	Oct.	....	1.47	1.46½	1.46½	1.84
		Rye					
.86½	.46⅞	July	.51¾	.51¾	.49	.49	1.54
.58	.49⅛	Oct.	.53⅜	.53⅜	.49⅛	.50⅛	.90⅜
.55⅛	.49⅛	Dec.	.54⅛	.54⅛	.50¼	.50⅜	.97⅜

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Lake Shore's Production $3,933,475 for Quarter

In the three months ending June 30 last Lake Shore Mines Limited produced gold to the value of $3,933,475 from 236,413 tons of ore (with gold valued at $35 per ounce). This was an average recovery of approximately $16.64 per ton. In the corresponding quarter of last year the production was $3,996,820 from 226,522 tons, an average recovery of $17.64 per ton with gold at $35 per ounce.

Production for the fiscal year ended June 30, 1938, by quarters, was as follows:

	Tons milled	Recovery per ton	Bullion recovery
Sept. 30	228,978	$15.84	$3,627,585
Dec. 31	229,506	16.64	3,820,505
Mar. 31	233,055	15.57	3,627,567
June 30	236,413	16.64	3,933,475

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Week in Mining

Tax Amendment Gets Increasing Opposition

Unfairness to Prospector Claimed — Minister Denies Capital Gains Impost — Dominion Organization for Mines Urged

While general opposition to the recent amendment to the Income War Tax Act is steadily mounting, hostility is keenest in mining and prospecting circles. It is feared, in spite of official denial, that this is but the thin edge of the wedge in an effort to tax all capital gains.

Mining men predict that if the amendment is actually put into force it will discourage prospecting and make the financing of new mining companies more difficult.

Slipped through Parliament at the end of the session, the bill was known as No. 164. Section 32 (b) deals with companies which on winding up or otherwise may distribute any assets to their shareholders, without sale or at a sale price substantially below the fair market value.

If sale of such assets at the market price would create income of the corporation within the meaning of this Act, the minister shall have power to determine the fair market price of such assets. The company shall be deemed to have sold such assets at the price so determined and thereby to have received income subject to tax. The portion received by a shareholder or member shall be deemed to be a dividend.

Evasion Alleged

In the explanatory notes it is stated that companies are distributing their inventories, particularly when they are in the form of stocks, bonds or other securities, the present value of which is much above their cost. This is being done, it is claimed, without corporate sale but "rateably in kind among shareholders or alternatively by selling to the shareholders at a price below the market price." Such procedure is an effort to avoid the corporate tax and the individual tax indicated, the notes declare.

In a public statement Hon. J. L. Ilsley, Minister of National Revenue and Acting Minister of Finance, claims that the amendment does not introduce any new principle into Canadian income tax legislation. He refers to corporations which prior to the recent amendment disposed of assets through distribution in kind or at a price less than fair market value, and which would not have been taxable even if disposal of assets had been effected at fair market price, these would still not have been taxable if section 32B had then been in force, he says.

Realization of assets must still create income of a corporation within meaning of the Income War Tax Act before such realization of assets becomes taxable under Section 32B.

The amendment does not introduce capital gains taxation system into the Canadian Act, he insists.

In some quarters it is agreed that the amendment actually makes little difference. The Income Tax Department had been doing by department ruling what is now made a matter of statute law. But that in itself is a big difference as it strengthens the hand of the Income Tax Department tremendously. It is hoped that some definite rulings will be issued shortly which will make the situation clearer.

Prospecting Losing Game

The way it will affect prospecting is this. A prospector, goes out and makes an interesting discovery. Being unable to finance development himself he goes to a mining or development company and they in return for his claims issue him so many shares of stock in the existing company or a new company which may be formed. Then in order to enable the new company to be financed by the sale of treasury stock, the prospectors (or the vendors') stock is pooled. It is thereby held off the market so that it will not come in competition with the new stock that is being sold. When the financing of the company is completed the stock may then be released. This stock represented the capital of the prospector, but under the new regulation if it has increased in value while pooled, he will have to pay income tax on it. This in effect is a capital gains tax. The same thing might happen in the case of a syndicate or a development company which sold its claims for stock to another company.

The unfairness of the tax is accentuated in the opinion of mining men by the fact that prospecting generally is a losing game. Successes are rare. The odds are tremendous and when a profitable mine is discovered it is a prize for which the finder should not be taxed.

Case of Read-Authier

An outstanding case in recent weeks was that of Read-Authier Mines Limited which some years ago took up a number of claims. In due course it handed these over to Dome and Teck-Hughes, receiving in exchange shares in Lamaque and Sigma, new companies which were formed to develop the claims. The shares of these two companies became quite valuable. When Read-Authier wished to distribute the shares so held to their shareholders, the tax authorities stepped in. Now it is unlikely that the distribution will be made.

Strengthens Department

Those who are not so actively opposed to the amendment point to the fact that the minister has power to establish the fair market price. They argue from that that the operation of the act will not be burdensome. But the power given the minister (which is the income tax department) is the alarming thing in that it strengthens his position so greatly.

Starting out to go through The Financial Post's Survey of Mines to determine what companies are liable to be affected by the act, one is met by a big task.

To mention a few one might name Proprietary Mines Ltd., Northern Canada and others. What would happen if companies like Noranda, McIntyre or Hollinger were to start to distribute their inventories of stocks?

In the case of companies which have surrendered their charters since 1936 when the amendment became effective, a heavy loss might be entailed on the directors who assumed personal liability when the charter was surrendered.

Meanwhile a Dominion-wide organization of mining companies is urged.

Mining Stocks Firm

In the market as a whole the averages of the gold stocks and the base metals have moved upward. Trading was of moderate volume. Waite Amulet has been the leader in the latter group reaching a high of $7.50 per share, but subsequently fell back to $6.70. The reaction was perhaps to be expected after the sharp rise which has taken the stock up from around $1.55 a few weeks ago to its present level. The news from the property has continued good, however.

The metal markets remained firm. There was not a great deal of actual business reported in them, but demand was sufficient to hold prices at the close to the previous week's levels.

McIntyre Earns $1.15 a Share

In the quarter ended June last, McIntyre Porcupine Mines had net income of $915,231, equal to $1.15 per share. For the same period of 1937, net income amounted to $853,875, equal to $1.07 per share. For the three months under review, costs, including development, fell from $1,050,873, a decrease of $7,606.

Depreciation allowance decreased from $37,917 in the quarter ended June 30, 1937, to $32,601 in the three months ended June 30, 1938, making a reduction in total costs for the latter period of $11,458.

Quarterly Earnings Statement
Three Months Ended June 30

	1938 $	1937 $
Gross income	2,168,358	2,118,460
Costs, incl. develop. .	1,043,267	1,050,873
Appropr. for taxes ...	177,259	175,795
Depreciation	32,601	37,917
Total costs	1,253,127	1,264,585
Net income, after depr.	915,231	853,875
Earnings per Share ..	$1.15	$1.07

Hallnor's Ore Opens Up Well

As indicated last week, production at the property of Hallnor Mines, in the Porcupine area of Ontario, is proceeding satisfactorily. Millheads for the first 15 days in July averaged 1.10 ounces of gold, equivalent to about $38.50 per ton, which is unusually high grade. The mill is treating about 320 tons daily.

The mine is being opened up on five levels west of the shaft. The first level has had little work done on it as yet, but on the second a good length of high-grade ore has been opened up, and on the third level 1,200 feet of high grade. On the fourth level 190 feet of ore has been opened and it is expected that the crosscut on the fifth level will reach the ore body at any time.

The company, which is controlled by Noranda, at last reports had 1,975,000 shares of $1 par value issued, out of an authorized capital of 2,000,000 shares. Of these, Noranda owned 1,250,000 and had an option on the 25,000 shares still unissued. There is no funded debt.

High Grade Ore Shows At Preston East Dome

New statement on latest progress at Preston East Dome Mines property is to be issued after directors' meeting late this week.

In drifting south on the 107 level, according to latest reports, development has secured an indicated average of $13.16 for 42 ft. of the drift, which has continued in ore for about 100 ft. Reduction of high erratics to $35 gave an average of $12.74 over the full width of the drift.

Company is continuing drifting in the new south ore body on the 500-ft. horizon, where muck sample assays in the drift southeast of the crosscut have returned a cut average of $34.41. Sampling northeast of the crosscut has returned cut average of $26.41 for 37 ft.

Draper Dobie & Co. and Milner Ross & Co. are offering an issue of $700,000 of 6% 5-year first mortgage bonds of Preston East Dome.

Tiblemont Island Mines In New Consolidation

Tiblemont Consolidated Mines Limited is a new company being formed to acquire the properties of Tiblemont Island Mining Company Limited, three claims formerly the property of Smith- Tiblemont Mines Limited, certain claims lying east of the island formerly belonging to Ventures Limited in addition to other claims in Tiblemont Lake, the whole forming a total area in excess of 1,500 acres in Tiblemont twp., Quebec.

Authorized capital of the new company will be 4,000,000 shares of which 1,200,000 will be issued to the vendors. Options will be granted on 2,400,000 shares to yield $1,000,000, of which the first block, 250,000 shares at 20 cents, has been firmly underwritten. The remaining 400,000 shares will be issued to shareholders pro rata, if and when it becomes necessary to raise further funds.

Waite Orebody Of Major Size

Set By Some Estimates at Over 2,000,000 Tons

Developments at the Waite Amulet property in northwestern Quebec are proceeding satisfactorily. Official information on the results of the recent diamond drilling is lacking but President J. Y. Murdoch advises The Financial Post that to date he has "not been disappointed."

Drill holes put down on the property, either in process or completed, number 13. It is understood from independent sources that the results obtained in No. 11 hole so far have been very gratifying.

The ore body lies to the west of the Dufault Lake boundary and toward the south. It is understood that the further it is traced in these directions the better it shows up. Later drilling is working outward, so that each hole that "clicks" means a widening of the limits of the ore body.

About $15 per Ton

At the present time the ore body indicated by the diamond drill appears to be about 550 feet long and up to 380 feet wide with a thickness of 100 to 120 feet. If this is worked out at eight cubic feet to the ton, it would give over 2,750,000 tons of ore. More conservative estimates place the indicated ore at between 1,500,000 and 2,000,000 tons. The ore averages 7% copper or 140 lb. copper to the ton and $2 in gold, or about $15 gross per ton. In some places, however the grade is much higher.

It will take some four to six months to get full information regarding the ore body and the management is averse to giving out a statement until fairly sure of what is there.

New Financing?

Some speculation has been raised as to whether Waite Amulet is likely to do any financing in order to bring the big new ore body into production in a big way. In some quarters it is suggested that an increase in capital may be made but no mention of such a programme is made by the management.

On the other hand, when the aerial tram to the concentrator is completed and the concentrator increased to 500 tons daily from the present 150 tons, it will increase production and income accordingly. As pointed out last week the revenue from production (at present $17,000 monthly) is going into the present exploration campaign.

Once the size of the ore body is determined it will become necessary to sink a shaft. It may be that the cost of this will be taken care of by the revenue from production, from the older part of the property.

Francoeur Mines In Production

Francoeur Gold Mines Limited, operating in northwestern Quebec, is in production. Hoisting from mine to coarse ore bins started on Tuesday of this week and crushing on Wednesday. The mill is scheduled to start on Thursday.

Ore going to the mill is being drawn from the west end of the first and second levels on No. 2 ore body. The broken ore in this section samples approximately a quarter of an ounce, or $8.75 per ton, including some waste, and as costs, including development work, are estimated at around $4.50 per ton, the margin of profit should be around $4.25 per ton.

After the mill has been operating steadily at 150 tons per day, tonnage will be raised to 200 tons daily.

The shaft on No. 2 zone has been sunk to 500 feet and the third and fourth levels will be developed concurrently with milling.

Reward Mining Director Resigns
From Our Own Correspondent

MONTREAL. — Reward Mining Co. has notified the Montreal Curb Market that J. D. Galloway has resigned as a director and is no longer connected with the company.

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The Week in Oils

Frontier Takes Lead As Crude Producer

From Our Own Correspondent

CALGARY.—Following a Government supervised 11-day production test, Frontier definitely established itself as the largest crude producer in Canada. Opened for 24 hours, Frontier made the sensational total of 7,617 barrels of crude for the day, it was announced by officials of the company.

The well was immediately put on 37% of the potential which is two thirds of the capacity flow. The potential has thus been set at 5,078 barrels a day and the allowable production under proration is 1,879 barrels daily. While other wells in Turner Valley have produced more than 5,000 barrels a day, open flow, this is the first well in the history of the oil field when an open flow production of more than 7,000 barrels a day has been obtained. The well is literally surrounded by crude producing wells. It is south of the Firestone producer and is near the Brown No. 1 and Sundance producers. It was completed on June 9, and the initial flow prior to acidization was 2,542 barrels of crude daily.

Province to Benefit

Frontier Royalties, Limited is an associate company of the Anglo-Canadian Oil Co. A royalty of 15% is payable to Okalta Oils Ltd. There is a 10% Provincial Government royalty and the provincial exchequer will benefit considerably.

Soon after Frontier came into production there was announcement from McColl-Frontenac Oil Co. of a proposal to erect a $1 million oil refinery in this city. J. M. Pritchard, vice-president of the oil distributing firm said:

"We must have oil production and we want Canadian oil. Alberta, particularly Turner Valley, appears to be the logical place to get this production."

He stated the refinery, when constructed eventually, would have a daily capacity of more than 2,000 barrels of crude oil for processing. It is possible the plant will be constructed next year. Mr. Pritchard added that the outlook was "so bright in Alberta, we feel justified in spending considerable money in the West."

The British-American Oil Co. plans to spend over $1 million on a refinery plant, and Imperial Oil Limited is to spend about $500,000 in additions to its present refinery in this city.

Production Increases

The official Provincial Government figures issued recently are promising. In the first five months of 1938, yield of Alberta wells was six times the output in the same period of 1936 and three times the amount in the early part of last year.

During the first five months of this year a total of 2,296,845 barrels of oil was produced despite the fact wells were only permitted to produce from 35% to 44% of potential under proration regulations. During the corresponding period last year, wells produced 768,630 barrels and during the corresponding period in 1936 a total of only 381,985 barrels.

The May output was 546,719 barrels compared with 447,241 barrels produced in April; 173,872 barrels produced in May, 1937; and 75,410 barrels produced in May, 1936.

Following is the production report for May, 1938, issued by the provincial department of lands and mines:

Turner Valley Limestone

Company:	barrels
Advance	3,404
Brown	54,037
B. & B.	12,674
British Dominion	324
Century	756
Commoil	29,235
Davies	37,943
Firestone	14,724
Foundation	10,314
Four Star	11,411
Granville	5,622
Miracle (No. 2 only)	1,372
Model	4,768
Model Spooner	13,230
Monarch	8,193
National	24,652
Prairie	33,963
Richland	1,809
Royal Canadian	15,600
Royal Crest	7,712
Royalite (crude)	70,653
Share	8,560
Spy Hill	4,129
Sunburst	11,864
Sundance	5,894
Sunset	22,263
Three Point	4,559
Turner Valley Roy.	8,862
Westflank	21,818
Westside	8,721
West Turner	25,707
Anaconda	293
Associated	209
Baltac	23
Carleton	170
Dalhousie	41
Director	160
East Crest	115
Highwood-Sarcee	673
Hylo	272
Longview	57
Lowery	108
Mercury, etc. (except Miracle No. 2)	11,915
Merland	189
Pacalta	76
Renfrew	129
Royalite (except crude)	28,985
Southwest	26
Sovereign	1,458
Spooner	169
Sterling Royalties	252
Structure	192
Union Freehold	133
Not otherwise included	10,501
Total	540,919
Turner Valley Shallow Crude	
Dalhousie	48
McDougall Segur	500
McLeod	333
Royalite	10
Total	891
Red Coulee, Light Crude	
O'Neil	196
Vanalta	957
Total	1,153
Wainwright, Heavy Crude	
Bethwain	81
British Wainwright	52
Edmonton Wainwright	236
Sasko-Wainwright	300
Wain-Con.	379
Wainwright Pet.	92
Total	1,140
Miscellaneous	
Dina	501
Plains	2,115
Total	2,616
Recapitulation	
Turner Valley Limestone	540,919
Turner Valley Shallow	891
Red Coulee	1,153
Wainwright	1,140
Miscellaneous	2,616
Total	546,719

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B.E.A.R. Property To Yield Profit

Better Prospects Seen at Contact Lake Silver Mine

Following the reorganization of Bear Exploration and Radium Company Limited, C. L. Hershman, general manager, has made an examination of the Contact Lake Silver Mine in the Great Bear Lake area, owned by the B.E.A.R. Company and his report on the whole has been favorable.

Mine plant and equipment are stated to be in good condition and no metallurgical difficulties appear to be in sight.

Mr. Hershman estimates that there is a recoverable silver reserve of 683,775 ounces worth $287,188 at 42 cents an ounce. This, it is estimated, will yield an operating profit of $149,872. Reserves are contained in four ore bodies.

Mr. Hershman believes that the mine and mill should be brought to full production of 25 tons daily and he recommends a minor development campaign to extend the present development faces into indicated ore extensions vertically and laterally He also recommends some diamond drilling from the third level for parallel structures and exploration of the branch veins. Pitchblende occurs in stringers and there are possibilities of it recurring on the adit level.

Under the recent reorganization, T. F. Lee has become president, L. M. Keachie sec.-treas., and G. H. Bourne and J. Archibald, directors. J. J. Gray, the former president, has retired.

Hard Rock Output Jumps to $154,864

For the three months ended June 30 last, output of Hard Rock Gold Mines amounted to $154,864, mint returns show. Tonnage figures for this quarter are not yet available. Output for the quarter ended March 31 amounted to $152,873 from 13,776 tons of ore, milled, an average recovery of $11.10 per ton.

The company has announced plans to increase its daily milling capacity to 300 tons, through addition of a flotation unit to the present 200-ton mill. Provision will also be made for increasing the mill later to 500 or 600 tons; this change may be made in the autumn. A new headframe and hoist will be included in the programme, which will cost about $200,000.

Hard Rock is in good shape financially, with over $300,000 in the treasury.

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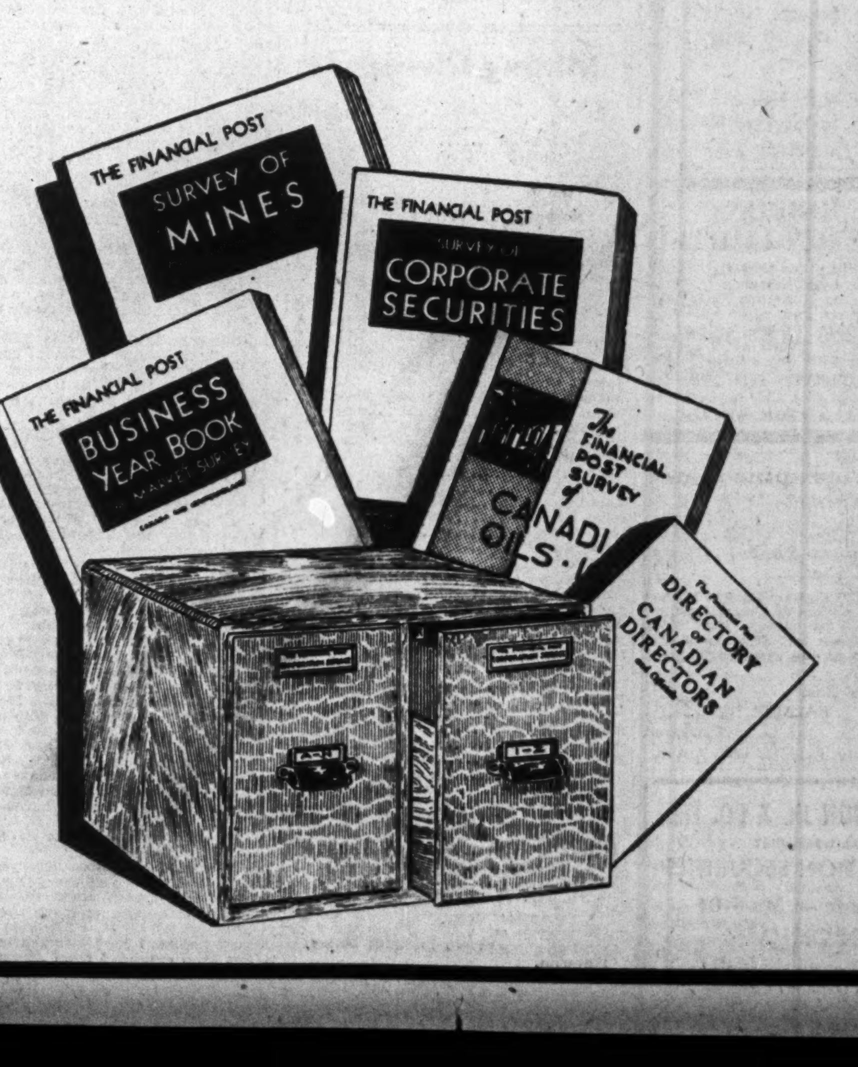

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WINDSOR HOTEL LIMITED

(Incorporated under the laws of the Province of Quebec)

Meeting of Holders of 6½% First Mortgage Twenty Year Gold Bonds of Windsor Hotel Limited, to be held in the Windsor Hotel, Dominion Square, Montreal, on Tuesday the 2nd day of August, 1938, at the hour of 10.00 o'clock in the forenoon (Montreal Daylight Saving Time).

NOTICE

NOTICE IS HEREBY GIVEN, pursuant to an order of the Superior Court of the Province of Quebec made in the District of Montreal by the Honourable Mr. Justice E. Fabre Surveyer, on the 25th day of June, 1938, under the provisions of The Companies' Creditors Arrangement Act, 1933 (Canada), that a meeting of the holders of the 6½% First Mortgage Twenty Year Gold Bonds and of the holders of the interest coupons and rights to interest pertaining thereto (hereinafter sometimes collectively referred to as the "Existing First Mortgage Bonds" and the holders whereof are hereinafter sometimes referred to as the "Bondholders") of Windsor Hotel Limited (hereinafter sometimes referred to as the "Company") secured by a Trust Deed of Hypothec, Mortgage and Pledge made between the Company and Montreal Trust Company as Trustee on the 22nd day of December, 1922, and deeds supplementary and collateral thereto (hereinafter sometimes collectively referred to as the "Trust Deed"), and the Trustee as such under such Trust Deed, will be held in the Windsor Hotel, Dominion Square, Montreal, on Tuesday, the 2nd day of August, 1938, at the hour of 10.00 o'clock in the forenoon (Montreal Daylight Saving Time), for the following purposes, that is to say:

1. To consider and, if deemed fit, to agree to a Proposal of Compromise or Arrangement of Windsor Hotel Limited, dated May 25th, 1938, proposed under the provisions of The Companies' Creditors Arrangement Act, 1933, (Canada), between the Company and, amongst others, the Bondholders and the Trustee, either as proposed or as altered or modified at such meeting or at any adjournment thereof, which Proposal of Compromise or Arrangement provides, amongst other things, in general effect as follows, that is to say:

(a) All claims for or to arrears of interest accrued and the interest to accrue on the Existing First Mortgage Bonds, whether vested in the holders of such Bonds or of the interest coupons pertaining thereto, and the Existing First Mortgage Bonds themselves, shall be extinguished and the rights and claims of the holders of the Existing First Mortgage Bonds shall be modified, altered compromised or arranged in such manner and to such extent that such rights and claims shall henceforh consist solely, only and exclusively of the right to receive upon distribution, against surrender and/or cancellation and/or appropriate discharge of their respective Existing First Mortgage Bonds together with all unpaid interest coupons maturing after January 1st, 1935, pertaining thereto, New First Mortgage Bonds and New Shares, upon the following basis, that is to say:

For each $1,000 principal amount of Existing First Mortgage Bonds.

$1,225 principal amount of New First Mortgage Bonds.

5 New Shares.

The Existing First Mortgage Bonds held by the Company to the total aggregate principal amount of $32,800 shall be surrendered by the Company to the Existing First Mortgage Trustee and cancelled.

(b) All claims for or to arrears of interest accrued and the interest to accrue on the Existing Second Mortgage Bonds, whether vested in the holders of such Bonds or of the interest coupons pertaining thereto, and the existing Second Mortgage Bonds themselves shall be extinguished, and the rights and claims of the holders of the Existing Second Mortgage Bonds shall be modified, altered, compromised or arranged in such manner and to such extent that such rights and claims shall henceforth consist solely, only and exclusively of the right to receive upon distribution against surrender and/or cancellation and/or appropriate discharge of ther respective Existing Second Mortgage Bonds, together with all unpaid interest coupons maturing after December 1st, 1934, pertaining thereto, New Shares upon the following basis, that is to say:

For each $1,000 principal amount of Existing Second Mortgage Bonds.

60-7/10 New Shares.

The Existing Second Mortgage Bonds held by the Company to the total aggregate principal amount of $45,300 shall be surrendered by the Company to the Existing Second Mortgage Trustee and cancelled.

(c) The arrears of dividends accrued and the dividends to accrue on the Existing Preferred Shares and the Existing Preferred Shares themselves shall be extinguished, and the rights of the holders of the Existing Preferred Shares shall be compromised or arranged in such manner and to such extent that such rights shall henceforth consist solely, only and exclusively of the right to receive upon distribution, against surrender and/or cancellation of the certificates representing the respective Existing Preferred Shares, New Shares upon the following basis, that is to say:

For each 1 Existing Preferred Share. 1¼ New Shares.

(d) Any rights to dividends attaching to the Existing Common Shares shall be extinguished and the rights of the holders of the Existing Common Shares shall be compromised or arranged in such manner and to such extent that such rights shall henceforth consist solely, only and exclusively of the right to receive upon distribution, against surrender and/or cancellation of the certificates representing their respective Existing Common Shares, New Shares upon the following basis; that is to say:

For each 1 Existing Common Share. 1/10 of 1 New Share.

(e) The paid-up capital of the Company shall be reduced from $3,309,826.86 to $2,459,675.00 by the extinction of the Existing Preferred Shares, by the elimination of the Company's total deficit as at June 30th, 1938, by reduction of the valuation of fixed assets, and by the readjustment of its capital structure in accordance with the provisions of the said Proposal of Compromise or Arrangement.

(f) The New First Mortgage Bonds and New Shares respectively, hereinbefore mentioned, shall be issued upon and subject to all the terms, conditions, provisions, rights, preferences, privileges, priorities, restrictions, limitations and qualifications referred to in and/or contemplated by the said Proposal of Compromise or Arrangement.

(g) No fractions of New First Mortgage Bonds or New Shares shall be issued but the Company shall issue to a Trust Company New First Mortgage Bonds and New Shares sufficient in number to equal the aggregate number of all fractions required and fractional warrants shall be issued by such Trust Company. If, on July 2nd, 1943, any fractional warrants shall remain outstanding, the Trust Company shall sell any New First Mortgage Bonds and/or New Shares remaining in its hands and shall deliver the proceeds of such sale, together with any interest and/or dividends received by such Trust Company on the Bonds or Shares so sold, to the Company to be held in trust for distribution (but without interest thereon) among the holders of such fractional warrants remaining outstanding, against presentation and surrender thereof.

(h) The Company and all of its undertaking, property and assets shall be released from the lien, charge and security of the Trust Deed, as well as from any and all rights and claims of the Bondholders and of the Trustee upon the issue of the New First Mortgage Bonds and New Shares for distribution as provided in the Proposal of Compromise or Arrangement.

(i) A Reorganization Committee shall be constituted and shall be authorized and empowered to determine the form and terms of all deeds, documents, instruments and other writings deemed necessary or useful or required by law in connection with the Proposal of Compromise or Arrangement or to give effect thereto and to initiate, adopt and carry out such proceedings, consistent with the general nature of the Proposal of Compromise or Arrangement as they in their discretion may deem necessary or useful to render the Proposal of Compromise or Arrangement effective and to give effect thereto.

(j) The present capitalization of the Company will compare with the new capitalization after effect has been given to the Proposal of Compromise or Arrangement, as follows:

STATEMENT

Present Capitalization

Existing First Mortgage Bonds	$1,977,000.00*
Existing Second Mortgage Bonds	963,800.00**
Existing Preferred Shares (20,000 shares of the par value of $100 each)	2,000,000.00
Existing Common Shares (50,000 shares without nominal or par value)	1,309,826.86

Proposed New Capitalization

New First Mortgage Bonds	$2,421,825.00
New Shares (100,000 shares without nominal or par value authorized, of which 98,387 shares shall be outstanding)	2,459,675.00

*Not including $32,800 principal amount of Existing First Mortgage Bonds held by the Company.

**Not including $45,300 principal amount of Existing Second Mortgage Bonds held by the Company.

The foregoing does not purport to set out the said Proposal of Compromise or Arrangement at length, nor even to be a summary or a precise statement of the whole or any part thereof and reference is hereby made to the said Proposal of Compromise or Arrangement for a full and complete statement of all the details of the terms, conditions and provisions thereof.

2. To transact such other business as may properly come before the meeting.
3. To adjourn the meeting from time to time and from place to place, with or without notice, in such manner as the meeting may determine.

A holder of a registered Bond (whether a fully registered Bond or a coupon Bond registered as to principal only) may attend the meeting in person without producing his Bond, or may by instrument in writing appoint a person to attend, vote and otherwise act for him at such meeting and at any adjournment thereof.

A holder of an unregistered Bond desiring to attend and vote or be represented at the meeting must either produce his Bond at the meeting or deposit his Bond with any Bank or Trust Company, which will issue a Voting Certificate entitling the holder named therein to attend, vote and otherwise act at the meeting and at any adjournment thereof or to appoint a proxy to attend, vote and otherwise act for such holder at the meeting and at any adjournment thereof in respect of the Bond so deposited. Any Bond so deposited will be held by the Bank or Trust Company until after the meeting and any adjournment thereof.

The holder of a Voting Certificate, if attending the meeting personally, must bring the Voting Certificate with him to the meeting, or must deposit it prior to the meeting at the office of Montreal Trust Company, 511 Place d'Armes, Montreal.

In all cases where a proxy is appointed by a holder of a Voting Certificate, the Voting Certificate must accompany the instrument appointing the proxy.

Any holder of Bonds unable to be present at the meeting may, if a holder of registered Bonds, deliver his instrument of proxy, or if a holder of unregistered Bonds, his Voting Certificate and instrument of proxy to the person appointed to represent him at such meeting or adjourned meeting for production thereat or may deposit his instrument of proxy or Voting Certificate and instrument of proxy, as the case may be, at any time prior to the time fixed for holding such meeting and/or adjourned meeting at which such instrument of proxy is to be used, at the office of Montreal Trust Company, 511 Place d'Armes, Montreal.

Bondholders are urged to appoint as proxy only a person who is a Bondholder.

Women who have been married in the Province of Quebec or who are domiciled therein are urged to obtain the authorization of their husbands to the execution of the instrument of proxy. This authorization may be given by inserting on the form of instrument of proxy after the signature of the married woman the words "To authorize my said wife," following which the husband should also sign the instrument of proxy.

Any corporation executing an instrument of proxy is urged to produce and deposit therewith a duly certified copy of a resolution of the Board of Directors of such corporation, authorizing the person or persons mentioned in such instrument of proxy to attend, vote and otherwise act for and on behalf and in the name of the corporation at the said meeting and any adjournment thereof.

Copies of the said Proposal of Compromise or Arrangement, the circular letter forwarded by the Company to the parties to whom such Proposal of Compromise or Arrangement is proposed, the foregoing Regulations and Instructions for depositing Bonds and obtaining Voting Certificates, forms for deposit of unregistered Bonds, forms of Voting Certificates and forms of instruments of proxy may be obtained on application to the office of Montreal Trust Company, 511 Place d'Armes, Montreal, or to the office of Trust Général du Canada, 71 St. Pierre Street, Quebec, or to the office of Montreal Trust Company, 61 Yonge Street, Toronto.

Dated at Montreal, Quebec, this 27th day of June, 1938.

BY ORDER OF THE COURT.
Windsor Hotel Limited
R. SMITH,
Secretary.

WINDSOR HOTEL LIMITED

(Incorporated under the laws of the Province of Quebec)

MEETING OF THE HOLDERS of 6% Refunding Mortgage Twenty Year Sinking Fund Gold Bonds, Series "A", of Windsor Hotel Limited, to be held in the Windsor Hotel, Dominion Square, Montreal, on Tuesday, the 2nd day of August, 1938, at the hour of 11.30 o'clock in the forenoon (Montreal Daylight Saving Time)

NOTICE IS HEREBY GIVEN, pursuant to an order of the Superior Court of the Province of Quebec made in the District of Montreal by the Honourable Mr. Justice E. Fabre Surveyer, on the 25th day of June, 1938, under the provisions of The Companies' Creditors Arrangement Act, 1933 (Canada), that a meeting of the holders of the 6% refunding Mortgage Twenty Year Sinking Fund Gold Bonds, Series "A", and of the holders of the interest coupons and rights to interest pertaining thereto (hereinafter sometimes collectively referred to as the "Existing Second Mortgage Bonds" and the holders whereof are hereinafter sometimes referred to as the "Bondholders") of Windsor Hotel Limited (hereinafter sometimes referred to as the "Company") secured by a Trust Deed of Hypothec, Mortgage and Pledge made between the Company and Montreal Trust Company as Trustee on the 15th day of December, 1937, and deeds supplementary and collateral thereto (hereinafter sometimes collectively referred to as the "Trust Deed"), and the Trustee as such under such Trust Deed will be held in the Windsor Hotel, Dominion Square, Montreal, on Tuesday, the 2nd day of August, 1938, at the hour of 11.30 o'clock in the forenoon (Montreal Daylight Saving Time) for the following purposes, that is to say:

1. To consider and, if deemed fit, to agree to a Proposal of Compromise or Arrangement of Windsor Hotel Limited dated May 25th, 1938, proposed under the provisions of The Companies' Creditors Arrangement Act, 1933 (Canada), between the Company, and, amongst others, the Bondholders and the Trustee, either as proposed or as altered or modified at such meeting or at any adjournment thereof, which Proposal of Compromise or Arrangement provides, amongst other things, in general effect as follows, that is to say:

(a) All claims for or to arrears of interest accrued and the interest to accrue on the Existing First Mortgage Bonds, whether vested in the holders of such Bonds or of the interest coupons pertaining thereto, and the Existing First Mortgage Bonds themselves, shall be extinguished and the rights and claims of the holders of the Existing First Mortgage Bonds shall be modified, altered, compromised or arranged in such manner and to such extent that such rights and claims shall henceforth consist solely, only and exclusively of the right to receive upon distribution, against surrender and/or cancellation and/or appropriate discharge of their respective Existing First Mortgage Bonds together with all unpaid interest coupons maturing after January 1st, 1935, pertaining thereto, New First Mortgage Bonds and New Shares upon the following basis, that is to say:

For each $1,000 principal amount of Existing First Mortgage Bonds.

$1,225 principal amount of New First Mortgage Bonds.

5 New Shares.

The Existing First Mortgage Bonds held by the Company to the total aggregate principal amount of $32,800 shall be surrendered by the Company to the Existing First Mortgage Trustee and cancelled.

(b) All claims for or to arrears of interest accrued and the interest to accrue on the Existing Second Mortgage Bonds, whether vested in the holders of such Bonds or of the interest coupons pertaining thereto, and the Existing Second Mortgage Bonds themselves shall be extinguished and the rights and claims of the holders of the Existing Second Mortgage Bonds shall be modified, altered, compromised or arranged in such manner and to such extent that such rights and claims shall henceforth consist solely only and exclusively of the right to receive upon distribution against surrender and/or cancellation and/or appropriate discharge of their respective Existing Second Mortgage Bonds, together with all unpaid interest coupons maturing after December 1st, 1934, pertaining thereto, New Shares upon the following basis, that is to say:

For each $1,000 principal amount of Existing Second Mortgage Bonds. 60-7/10 New Shares.

The Existing Second Mortgage Bonds held by the Company to the total aggregate principal amount of $45,300 shall be surrendered by the Company to the Existing Second Mortgage Trustee and cancelled.

(c) The arrears of dividends accrued and the dividends to accrue on the Existing Preferred Shares and the Existing Preferred Shares themselves shall be extinguished, and the rights of the holders of the Existing Preferred Shares shall be compromised or arranged in such manner and to such extent that such rights shall henceforth consist solely, only and exclusively of the right to receive upon distribution, against surrender and/or cancellation of the certificates representing the respective Existing Preferred Shares, New Shares upon the following basis, that is to say:

For each 1 Existing Preferred Share. 1¼ New Shares.

(d) Any rights to dividends attaching to the Existing Common Shares shall be extinguished and the rights of the holders of Existing Common Shares shall be compromised or arranged in such manner and to such extent that such rights shall henceforth consist solely only and exclusively of the right to receive upon distribution against surrender and/or cancellation of the certificates representing their respective Existing Common Shares, New Shares upon the following basis, that is to say:

For each 1 Existing Common Share. 1/10 of 1 New Share.

(e) The paid-up capital of the Company shall be reduced from $3,309,826.86 to $2,459,675.00 by the extinction of the Existing Preferred Shares, by the elimination of the Company's total deficit as at June 30th, 1938, by reduction of the valuation of fixed assets, and by the readjustment of its capital structure in accordance with the provision of the said Proposal of Compromise or Arrangement.

(f) The New First Mortgage Bonds and New Shares respectively, hereinbefore mentioned, shall be issued upon and subject to all the terms, conditions, provisions, rights, preferences, privileges, priorities, restrictions, limitations and qualifications referred to in and/or contemplated by the said Proposal of Compromise or Arrangement.

(g) No fractions of New First Mortgage Bonds or New Shares shall be issued but the Company shall issue to a Trust Company New First Mortgage Bonds and New Shares sufficient in number to equal the aggregate number of all fractions required and fractional warrants shall be issued by such Trust Company. If, on July 2nd, 1943, any fractional warrants shall remain outstanding, the Trust Company shall sell any New First Mortgage Bonds and/or New Shares remaining in its hands and shall deliver the proceeds of such sale, together with any interest and/or dividends received by such Trust Company on the Bonds or Shares so sold, to the Company to be held in trust for distribution (but without interest thereon) among the holders of such fractional warrants remaining outstanding, against presentation and surrender thereof.

(h) The Company and all of its undertaking, property and assets shall be released from the lien, charge and security of the Trust Deed, as well as from any and all rights and claims of the Bondholders and of the Trustee upon the issue of the New First Mortgage Bonds and New Shares for distribution as provided in the Proposal of Compromise or Arrangement.

(i) A Reorganization Committee shall be constituted and shall be authorized and empowered to determine the form and terms of all deeds, documents, instruments and other writings deemed necessary or useful or required by law in connection with the Proposal of Compromise or Arrangement or to give effect thereto and to initiate, adopt and carry out such proceedings, consistent with the general nature of the Proposal of Compromise or Arrangement as they in their discretion may deem necessary or useful to render the Proposal of Compromise or Arrangement effective and to give effect thereto.

(j) The present capitalization of the Company will compare with the new capitalization after effect has been given to the Proposal of Compromise or Arrangement, as follows:

STATEMENT

Present Capitalization

Existing First Mortgage Bonds	$1,977,000.00*
Existing Second Mortgage Bonds	963,800.00**
Existing Preferred Shares (20,000 shares of the par value of $100 each)	2,000,000.00
Existing Common Shares (50,000 shares without nominal or par value)	1,309,826.86

Proposed New Capitalization

New First Mortgage Bonds	$2,421,825.00
New Shares (100,000 shares wihout nominal or par value authorized, of which 98,387 shares shall be outtanding)	2,459,675.00

*Not including $32,800 principal amount of Existing First Mortgage Bonds held by the Company.

**Not including $45,300 principal amount of Existing Second Mortgage Bonds held by the Company.

The foregoing does not purport to set out the said Proposal of Compromise or Arrangement at length, nor even to be a summary or a precise statement of the whole or any part thereof and reference is hereby made to the said Proposal of Compromise or Arrangement for a full and complete statement of all the details of the terms, conditions and provisions thereof.

2. To transact such other business as may properly come before the meeting.
3. To adjourn the meeting from time to time and from place to place, with or without notice, in such manner as the meeting may determine.

A holder of a registered Bond (whether a fully registered Bond or a coupon Bond registered as to principal only) may attend the meeting in person without producing his Bond, or may by instrument in writing appoint a person to attend, vote and otherwise act for him at such meeting and at any adjournment thereof.

A holder of an unregistered Bond desiring to attend and vote or be represented at the meeting must either produce his Bond at the meeting or deposit his Bond with any Bank or Trust Company, which will issue a Voting Certificate entitling the holder named therein to attend, vote and otherwise act at the meeting and at any adjournment thereof or to appoint a proxy to attend, vote and otherwise act for such holder at the meeting and at any adjournment thereof in respect of the Bond so deposited. Any bond so deposited will be held by the Bank or Trust Company until after the meeting and any adjournment thereof.

The holder of a Voting Certificate, if attending the meeting personally, must bring the Voting Certificate with him to the meeting, or must deposit it prior to the meeting at the office of Montreal Trust Company, 511 Place d'Armes, Montreal.

In all cases where a proxy is appointed by a holder of a Voting Certificate, the Voting Certificate must accompany the instrument appointing the proxy.

Any holder of Bonds unable to be present at the meeting may, if a holder of registered Bonds, deliver his instrument of proxy, or if a holder of unregistered Bonds, his Voting Certificate and instrument of proxy to the person appointed to represent him at such meeting or adjourned meeting for production thereat or may deposit his instrument of proxy or Voting Certificate and instrument of proxy, as the case may be, at any time prior to the time fixed for holding such meeting and/or adjourned meeting at which such instrument of proxy is to be used, at the office of Montreal Trust Company, 511 Place d'Armes, Montreal.

Bondholders are urged to appoint as proxy only a person who is a Bondholder.

Women who have been married in the Province of Quebec or who are domiciled therein are urged to obtain the authorization of their husbands to the execution of the instrument of proxy. This authorization may be given by inserting on the form of instrument of proxy after the signature of the married woman the words "To authorize my said wife," following which the husband should also sign the instrument of proxy.

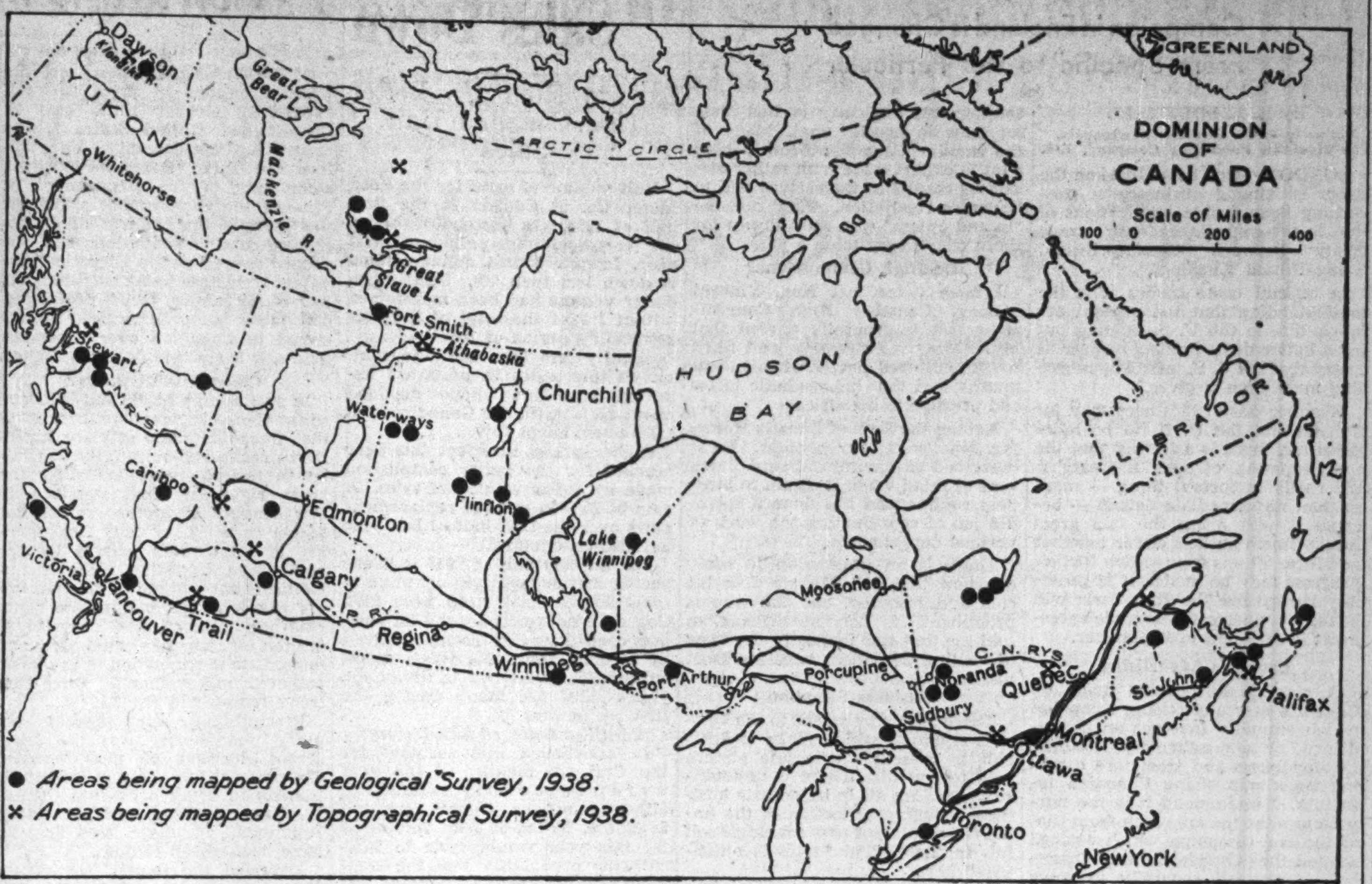
Any corporation executing an instrument of proxy is urged to produce and deposit therewith a duly certified copy of a resolution of the Board of Directors of such corporation, authorizing the person or persons mentioned in such instrument of proxy to attend, vote and otherwise act for and on behalf and in the name of the corporation at the said meeting and any adjournment thereof.

Copies of the said Proposal of Compromise or Arrangement, the circular letter forwarded by the Company to the parties to whom such Proposal of Compromise or Arrangement is proposed, the foregoing Regulations and Instructions for depositing Bonds and obtaining Voting Certificates, forms for deposit of unregistered Bonds, forms of Voting Certificates and forms of instruments of proxy may be obtained on application to the office of Montreal Trust Company, 511 Place d'Armes, Montreal, or to the office of Trust Général du Canada, 71 St. Pierre Street, Quebec, or to the office of Montreal Trust Company, 61 Yonge Street, Toronto.

Dated at Montreal, Quebec, this 27th day of June, 1938.

BY ORDER OF THE COURT.
Windsor Hotel Limited.
R. SMITH,
Secretary.

Mapping Rock Trails to New Wealth



● Areas being mapped by Geological Survey, 1938.
× Areas being mapped by Topographical Survey, 1938.

Work of Geological Surveyors Paying Increasing Dividends

Some 300 men in 58 parties are busy this summer mapping out possible sources of new mineral wealth.

They are government scouts, members of the Dominion Geological Survey, whose job is to blaze a trail that will lead others to gold, silver, base metals, oil, or even to water.

How good a job do they do? What has the department to show for almost a century of effort; for the $3.6 millions provided in the last five years?

Outstanding Work

There is the recent sensational finding in British Columbia's Zeballos area. The Geological Survey directed attention to this field in 1932. A later report in 1937 again emphasized the possibilities.

Back as early as 1880 the survey saw possibilities in the Lake Athabaska region of Saskatchewan. In 1892 Dr. J. B. Tyrrell, the veteran geologist and explorer, commenced a thorough survey. Dr. C. A. Camsell, present Deputy Minister of Mines, investigated the area. Reports followed from time to time, but it was not until 1934 that Box and Nyman found gold and started the staking rush.

Data on which present diamond drilling in the Waite Amulet section of Quebec was projected, were fully set forth in a report issued by the survey a few years ago. The actual drilling has borne out the survey's contention that contact occurred in that locality at a depth of 1,000 ft.

To Dr. C. E. Cairnes of the survey goes direct credit for discovering the large magnesium deposits near Marysville, B.C., now controlled by Consolidated Mining and Smelting.

Production on a large scale is under consideration.

Noranda

Discovery of Noranda might have been missed had it not been for the work of the Geological Survey. As early as 1908 Dr. M. E. Wilson examined and mapped the territory now known as western Quebec at a time when there were no operating mines or prospects in the area. Dr. Wilson pointed out the similarity of the region to that of Porcupine in Ontario and indicated that it was a favorable prospecting ground. When the Noranda ore body was discovered Dr. Wilson's map and report met such a demand that they ran out of print in a few months. In 1919 Dr. H. C. Cooke carried the study of the area further and identified it as the same formation as the Timiskaming at Kirkland Lake. He pointed out that the favorable structure had a length of at least 130 miles from Swastika away through Quebec to Lac du Montigny.

Often it takes years before the work of the survey bears fruit in producing mines. That it does help is conceded by the most hard-boiled prospector. The fact that a geological survey party is going into a district will in itself attract prospectors. Discoveries are sometimes made while the work of the party is in progress.

Follow up Survey

But the survey provides a follow up as well as a pioneering service. Where a strike has been made before the geology of the district has been charted, the service sends a party in to provide as complete scientific information as possible. Information from this intensive investigation is available to anyone.

The survey is this year actively investigating the Sulphide Lake district in Saskatchewan where Adolf Zukor found gold in 1937. This summer geological parties are spread right across the country. There are 41 groups engaged in geological investigation and 17 in topographical mapping. Ottawa has provided $725,000 for this season's work.

Big Season's Work

In British Columbia investigations have been planned to the east of Prince Rupert, Smithers, Francois Lake, Hope, Nelson, Zeballos, Quesnel Lake, Peace River, Nass River, Tatlatui and the Ymir Nelson district.

In Alberta Dr. G. S. Hume is continuing his work in Turner Valley and adjacent areas, while R. D. MacKay is mapping an area in Cardinal River and work is also being done in the Lovett Brazeau area.

In Saskatchewan field work is being directed largely toward the geological mapping and exploration of the pre-Cambrian sections in the northern part of the province. Two parties are working in Saskatchewan.. Areas which will come under investigation are Reindeer Lake, Cree Lake, and Clearwater Lake. Windrum Lake, where some recent discoveries have attracted attention, is also to be examined as well as the MacKay River area between Lake La Ronge and Churchill Rivers, where mineral occurrences have also been reported. Part of the Goldfields Fond du Lac district will be mapped.

In Manitoba five parties are operating, in the Flin Flon area, at Gurney Gold Mines, at Cranberry Portage and in the Rice Lake-Beresford and Island Lake areas and in the southern part of the province.

Ontario operations will be carried on by four parties. Districts being covered include the Ignace area west of Port Arthur, a section north of Lake Huron, oil and gas occurrences in the vicinity of Brantford and studies in the Ottawa-Cornwall section.

In Quebec six parties are operating, investigating Bousquet-Joannes, Varsan, Opemiska, Lamarq, Wakanichi Lake and Clericy districts. Three topographical parties are also operating in the St. Michele Vermilion River area, the Lake Dumoine and Gaspe areas.

In New Brunswick one of the three parties is directing its attention to the exploration for oil and gas in the Sussex field toward Moncton, the others to the possibilities of the Tobique and Bathurst districts where mineral discoveries of importance are said to have been made recently.

In Nova Scotia one of the two parties is studying coal. The other is doing geological mapping. The life of the coal deposits in certain areas is the subject of considerable interest. Studies are also being made in the Cobequid section.

In the Yukon one party is examining the occurrences in the Mayo district.

In the North West Territories four parties are at work at Yellowknife, Beaulieu, Gordon Lake, Snare River north of Rae and at Fort Smith.

Growing Emphasis on Survey

Last year mineral production had a value of $456.7 million, the highest figure yet attained, and compares with $361.9 millions in 1936. The increasingly large strides being made by the industry is cited as reason enough for the growing emphasis being put on Government geological work.

The surveys not only are a guide to likely areas for prospectors, but a good indication where not to go. The geologists eliminate a lot of territory and save future waste of time.

Airplane transportation has so rapidly extended the field of mining that the survey is hard pushed to keep abreast with developments. Some of the old-timers are inclined to scoff at explorers who ride to work in an airplane.

Work in Oil Fields

In the oil fields the Government geologists have an impressive record. Dr. G. S. Hume is this summer assisting in determining sites for drilling in Turner Valley, a task for which his past record indicates that he is especially fitted.

In 1936, for instance, his report on the Battleview anticline was immediately followed by applications to prospect 20,000 acres in that area. As a result the Pacalta Battleview Co. successfully drilled for oil and gas last year. In addition to its search for minerals and oil the survev undertakes some plainer tasks. For instance it is now possible to predict the depth at which water will be found in the Toronto-Hamilton area as the result of a survey of underground water resources undertaken in 1936.

Sheep Creek Gold Reports Good Year

Earns 18.4 Cents per Share Against 5 Cents Last Year

Sheep Creek Gold Mines Limited in the fiscal year ending May 31, 1938, had net profits of $344,909. This is equal to 18.4 cents on each of the 1,875,000 shares of 50 cents par value outstanding against five cents per share last year.

The company treated 53,436 tons of dry ore during the year. Bullion production amounted to $960,161 and miscellaneous income was $8,742.

Estimated Operating Statement
Year Ending May 31

	1938 $	1937 $
Proceeds from sale of bullion	960,161	565,855
Proceeds from slag shipments	......	792
Miscellaneous income	8,742	3,433
Gross income	968,902	570,080
Less: Cost of prod. inc. mining, milling and gen. admin.	396,951	308,879
Prov. for taxes	103,442	42,438
Est. prof. before depl. and deprec.	468,509	218,263
Less: Depr. & depl.	123,909	123,688
Est. net prof. for year	344,909	93,075
Earns. per share	.184	.050
Paid	.13	.08

Bulolo Gold Profit $303,870 Last Month

MONTREAL. — Production of Bulolo Gold Dredging Ltd. in June amounted to 12,603 ounces of fine gold. This compares with 15,499 ounces in May and 9,267 ounces in June last year.

Working profit for June is estimated at 8,682 fine ounces, equivalent to $303,870 in Canadian funds. In May the working profit was $400,155

Query Two Assays At Barber Larder

To Check Other Intersections in Main Zone

Following rumors which recently caused a sharp decline in the price of Barber Larder Gold Mines on the unlisted market, R. S. Potter, president, states that there are "good reasons" for doubting the assay results of cores from two diamond drill holes completed in 1937.

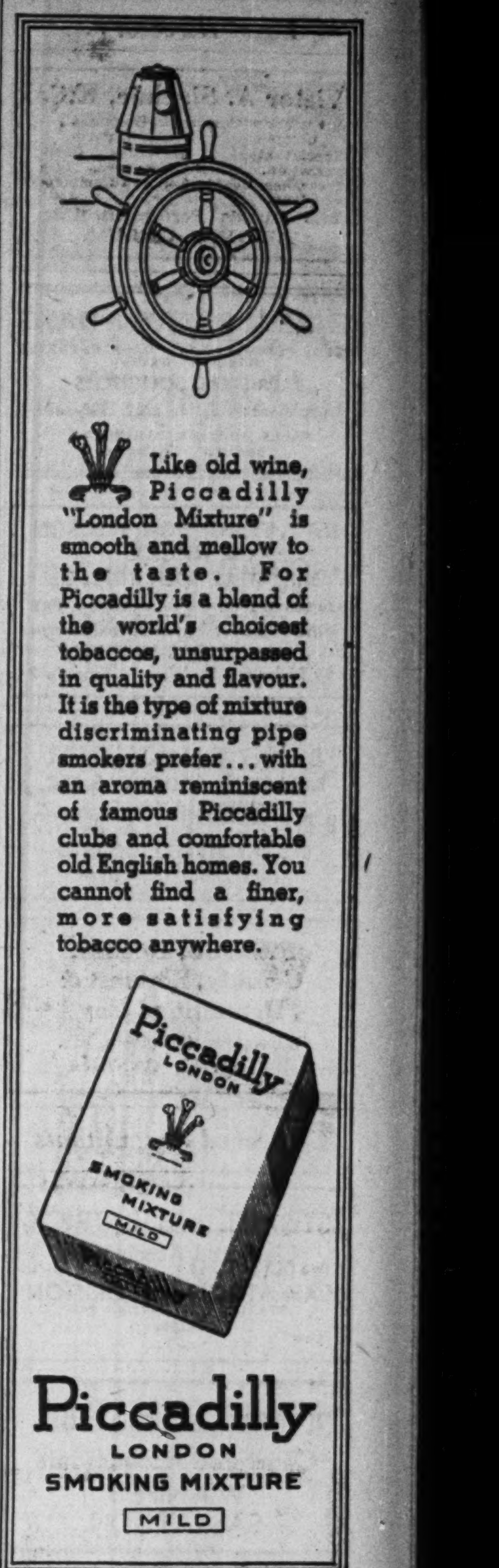
Though at present the suggestion of doubt refers only to two holes, the intersections of which lie south of and outside the main zone of reported values, the company feels that other drill intersections in the main zone must now be checked. Mr. Potter's report says that check-sampling the remaining half of the split core for a section in hole No. 38 showed only negligible gold values. Values of $119.60 across 12.8 ft. had previously been reported.

Check-sampling core remnants of a section in Hole No. 39, it is said, ran 70 cents per ton, whereas the company had reported $31.91 across 5.4 ft. Underground development is now proceeding in the main zone on the 125- and 250-ft. levels.

Central Cadillac Gold Sells Over 200,000 Shares

MONTREAL. — Central Cadillac Gold Mines reports that under the terms of the option agreement, 60,420 shares have been taken up at 25 cents and 140,080 shares at 30 cents each.

There now remain under option 181,920 shares at 30 cents each and 249,993 shares at 40 cents each. These options are to be exercised on or before August, 1939.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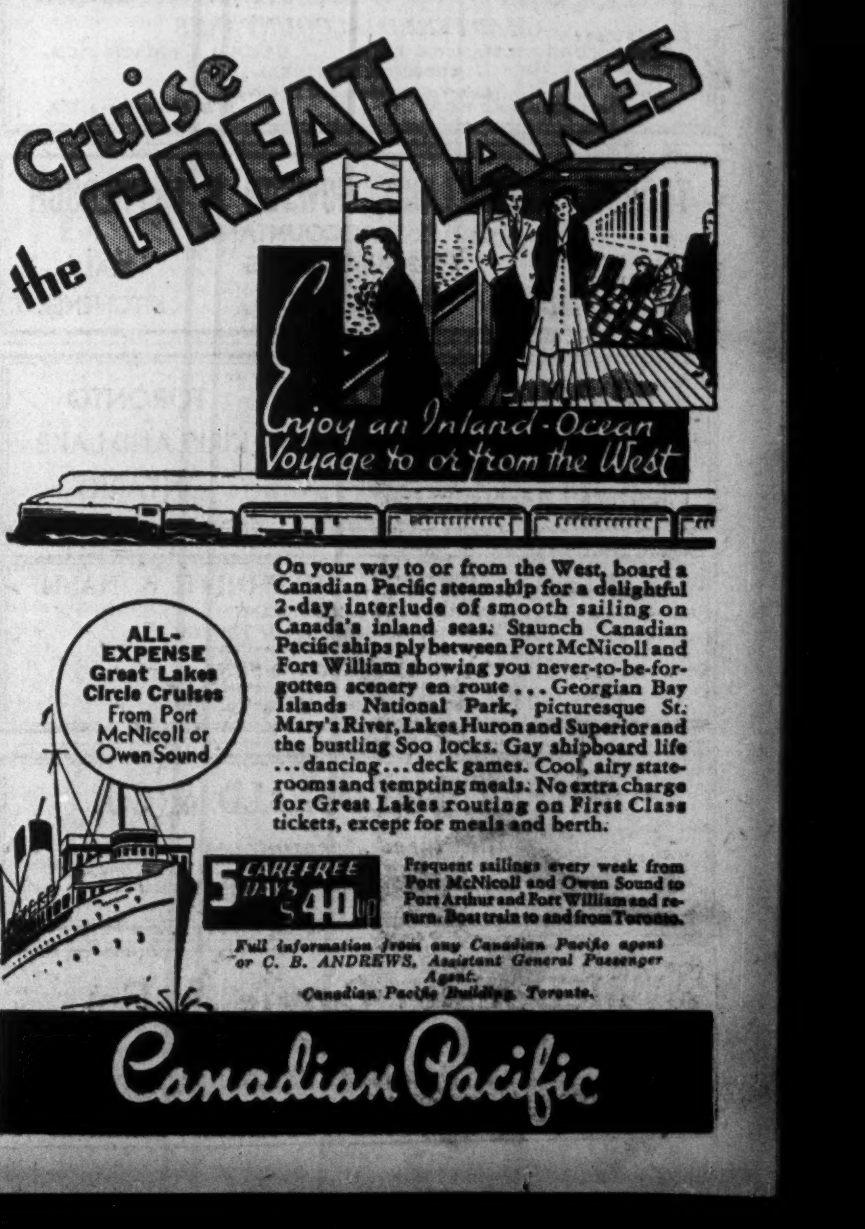
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Advertising Canada

Campaign in England is Changed From Specific to the Particular

By H. L. SOUTHALL
Editor-in-Chief, Business Newspapers, The MacLean Publishing Company, Ltd.

LONDON.—One hears little on the street or among businessmen concerning the possible implications of the forthcoming three-way trade treaty between Canada-United States-United Kingdom.

In official trade circles it is the understanding that the present delay is due to the U. S. holding out for a better deal. Some go so far as to say that the U. S. insists upon getting more than it gives.

Whether or not it is necessary for Canada and the U. K. to be more generous, there is a feeling that the consummation of such a treaty is the really important thing — more so than its immediate details — because it will bring the two great Anglo-Saxon nations closer together and form a basis from which further progress may be made. It is generally recognized the first basis will be far from perfect. The trade agreement is expected in September.

Canada's Advertising

A start is now being made on Canada's new advertising campaign which annually involves an expenditure of approximately $500,000. London buses and trams are carrying signs publicizing Canadian tomatoes. I understand it is the purpose to alter the approach from that of the last campaign which centred around the "Canada Calling" theme.

It is planned generally to move from the specific to the particular, concentrating for the moment largely on the greater London area.

It is the feeling that an expenditure of even $500,000 would be largely lost in a specific campaign if spread thinly over the British Isles. It is planned therefore to concentrate for the time on the greater London area.

One continues to hear and see evidences of the failure of some Canadian companies to attend properly to export business. I mentioned in an article on the Glasgow Empire Exhibition, that there were Canadian firms exhibiting there who had no stock from which to fill orders, and no literature to hand out to interested persons. In London I have heard the further criticism that there is an insufficient guarantee of quality and continuity of supply from Canada. In the last "Canada Calling" publicity campaign for instance, Glasgow increased its sales of various Canadian products 145% in a special business drive tied in with the stores, but there were insufficient supplies to meet the demand.

Check on Grading

I questioned various trade officials as to the way in which other countries have overcome difficulties, and I understand that a number of them have quasi-governmental boards which pass upon the suitability, grade, packing, continuity of supply, etc., of merchandise being exported to Great Britain. It has been suggested that Canada might well adopt a similar plan so there would be some body responsible for checking.

The larger Canadian firms encounter less difficulty in this matter than do smaller ones. Many of the smaller Canadian firms dabble a bit in export trade with rather disastrous results to themselves and to Canada's reputation. They are the "in and outers" who spoil things for those who do try to do a job.

The High Commissioner

I have twice met Hon. Vincent Massey, Canada's High Commissioner. It is generally agreed that Mr. Massey is extremely well liked by the cultured people of this community and that his aesthetic tastes add prestige to his office.

Among the staff of Canada House, Mr. Massey is very popular. He is described as having the card index type of mind when it comes to business routine and has done a splendid job of coordinating the work of various departments.

There is an impression in some quarters that Mr. Massey is a bit cold and reserved, but one who is prominent in London officialdom told me that this is mostly the view of visiting Canadians here for short visits.

Business Situation

There are many angles to the business situation which make it difficult to present a complete picture in a few words. There is undoubtedly a falling off in immediate business, though a reflection of the improved sentiment now making itself felt in the United States is anticipated here.

I understand, however, there are more people employed in this country today than possibly at any time in the past.

Some of the largest consuming industries have suffered a bit of a setback in recent months. Motor car registrations are down, commercial shipbuilding orders are scarcer though the yards appear busy, approved building plans are below those of a year ago.

Tinplate activity is reported to be down heavily, and there is some questioning concerning the ability of the tinplate cartel to continue to exert as much control over the situation in future as in the past because of the big increases in production of tinplate by uncontrolled companies.

Investment Firm Income Holds Up

Can. General Investments Share Equity Above End of 1937

Income of Canadian General Investments Ltd. in the first half of 1938 management type of investment trust was maintained within $1,200 of that for the corresponding period of 1937. Net income is still running at a level providing a substantial margin over dividend requirements of 50 cents a share annually, according to Rt. Hon. Arthur Meighen, president.

What decline in revenue has taken place is said to be due to dividend reductions and omissions, mostly on U. S. stocks. Reduction in holdings of American securities in recent years is stated to have kept the decline in net to smaller proportions than would have otherwise been the case.

Net profits of $31,443 were realized on the securities sold during the six months' period and were added to capital surplus distributable account which now stands at $2.9 millions.

Liquidating Value Up

Net liquidating value per share was $12.03 as at June 30, 1938. This compares with $11.93 at the end of 1937. Book value of securities held was $6.2 millions at June 30 and market value $7.2 millions. This compares with book value of investment of $6.2 millions at Dec. 31, 1937, and market value of $7.3 millions.

Balance sheet as at June 30 shows total assets of $6.3 millions. Secured loans amount to $56,216, slightly above the $51,230 at the end of 1937. Details of income and surplus account follow:

Income and Surplus Account
Six Months Ended June 30

	1938 $	1937 $
Net inc. from invests., less expenses	196,050	197,291
Less: Divds. paid or declared	150,145	150,145
Bal. to surp., before tax res.	45,905	47,146
Add: Prev. surplus ..	258,927	162,230
Less: Addit. inc. tax..	......	58
Balance forward	304,832	209,318
Earned per Share:		
Earned	$0.33	$0.33
Paid	0.25	0.25

Municipal Finances

Delaware—School Section No. 2, Delaware, Ont., have authorized issuance of $14,000 debentures for a new school.

* * *

Hamilton, Ont.—The budget estimates for the City of Hamilton for 1938 show total expenditures of $8,785,477 as compared with actual expenditures in 1937 of $8,665,983. Revenues in 1938 are estimated at $8,785,477 as compared with actual revenues in 1937 of $8,827,693. The total municipal debt at the end of 1937 was $29,100,690, as compared with $31,242,606 in the previous year.

* * *

Winnipeg, Man.—The board of trustees of the sinking fund of the City of Winnipeg reported that during 1937 the gross funded debt was reduced by $855,000 and the sinking fund increased by $786,000 thus reducing the net funded debt by $1,646,000. However, the floating debt increased by $3,834,000 during the year. Of this amount $1,500,000 was for direct relief.

* * *

North Bay, Ont.—Total general revenue of North Bay for the year ended Dec. 31, 1937, amounted to $281,823, and general expenditure, $292,581. Excess of expenditure over revenue totalled $10,758, but after adjusting revenue of water works department, excess of revenue over expenditure amounted to $1,070.

Current assets were valued at $379,094, and capital assets, $2,297,847. Unmatured debenture debt at Dec. 31, 1937, amounted to $2,240,404. Current surplus totalled $55,018 and capital surplus $57,442.

Ford Motor Sales Down

Exports Hold Up Better Than Canadian Unit Sales

Unit volume of sales for the Ford Motor Co. of Canada in the first half of 1938 was about 10% below the corresponding period of last year. In spite of this, dollar volume is down less than 5%. Until June, dollar volume had been maintained within 1% of the total of the corresponding period of 1937.

Slightly less than half the company's total sales in units are exported and these have declined about 8½%, with the Canadian unit sales down about 13%.

Higher prices in effect this year account for the better comparison made by dollar volume of sales. A gain of 25% in sales of replacement parts over the first half of last year has also contributed.

For the last half of 1938 it is expected that exports will continue to show only a small drop from 1937. Canadian sales will depend on business conditions and income received by farmers from this year's crops. Ordinarily, about two thirds of the year's sales are made during the first six months.

Earnings Believed Satisfactory

It is believed that earnings for the first six months of the year were reasonably satisfactory, although official figures are not available. Trend of sales volume so far this year would seem to indicate the probability that the company will not be able to exceed last year's profits of $2.27 a share on the A and B stock.

Ottawa Car Orders Mount

Working on 31 Air Machines and Large Number of Engines

From Our Own Correspondent

MONTREAL.—Ottawa Car Mfg. Co.'s airplane division has on hand sufficient business to keep the plant in operation for several months to come.

At the turn of the half year the company had contracts for the complete reconditioning of 22 aircraft; construction of nine new Avro 626 aircraft; the building and testing of 14 Civet and 12 Cheetah engines, as well as complete overhaul of a number of Lynx, Serval and Jaguar engines.

Started in 1925

Ottawa Car is one of the older aircraft manufacturers in the Dominion. It started in 1925 with the building and reconditioning of Avro 504 aircraft, followed by the manufacture of Avro Avians.

For the past 10 years the company, in conjunction with Armstrong Siddeley Motors Ltd., has been engaged in the building and complete reconditioning of all types of Siddeley Aero Engine Aircraft designed by Sir W. G. Armstrong Whitworth and A. V. Roe & Co.

Recently Ottawa Car took over the Canadian business of these three companies and became their sole agent, with manufacturing rights for Canada.

Important Developments At Sunbeam-Kirkland

From Our Own Correspondent

WINNIPEG.—Unexpected developments at Sunbeam-Kirkland have taken place over the last two or three days. When the station at the third level was completed a series of fanwise drill holes were pushed out. These roughly corroborated information obtained on the upper levels, indicating an ore body of 1,030 square feet averaging from drill cores $11.75.

Some holes put down from a drill station to one side cut the ore deposit at 475 feet, also in line with drilling from the surface, but another hole at a 35 degree angle cut 178 feet of ore material the first 25 feet of which assayed $16.25. The remainder of the core has not yet been assayed.

This is a development of such importance that Dr. J. F. Wright, geologist for the company and E. A. Patterson left for Toronto, where latest developments and mill plans will be discussed.

Malartic Gold Fields Plans to Sink Shaft

MONTREAL.—Directors of Malartic Gold Fields Ltd. have authorized the sinking of a shaft on its property. Location of the shaft will be determined by diamond drilling now in progress. Its first objective will probably be 500 feet depth.

The company enjoys a healthy financial position, cash in the treasury amounting to about $300,000. Current expenses are averaging $5,000 to $10,000 monthly. All options at 50 cents a share, consisting of 250,000 shares, have been taken up. The next options are at 65 cents a share.

Diamond drilling on the company's main property has established commercial ore bodies for about 7,000 feet along the regional greywacke-greenstone contact which traverse the property for about 13,000 feet. Recent drilling results along the eastern section shows improvements in widths and values.

Gillies Lake Porcupine Crosscutting at 500 ft.

Since issuance of its last progress report, Gillies Lake-Porcupine Gold Mines has driven a crosscut for about 600 ft. on the 500-ft. level in the direction of the large porphyry mass intersected through the diamond drilling campaign. The company plans to complete the crosscut as speedily as possible with a view to drifting both ways on the ore body.

In the meantime, a series of short diamond drill holes has been completed, cutting various sections of the orebody to obtain geological information. As soon as the crosscut has been driven both ways on the orebody the company plans to resume milling operations.

Electrical Standards Cited For Higher Cost of Radios

From Our Own Correspondent

OTTAWA.—Explanation for the wide difference in price between apparently similar radio sets in Canada and United States is the objective of the current enquiry before the Tariff Board. Following complaints to the Department of Finance the Government asked for the investigation. Costs of manufacture and distribution will be probed as well as the allegation that patent rights are being used to boost prices far above tariff protection. The latter amounts to 25%, the increase in Canadian over American prices, it is charged, is much higher.

Claim Sets Dissimilar

In preliminary briefs and evidence so far Canadian manufacturers state that Canadian radio sets are superior in range and selectivity to similar American types and that the more rigid electrical standard in this country is another reason for higher costs. They deny that pooling of vital radio patents by the half dozen Canadian radio manufacturers has worked to the consumers' disadvantage, but instead claim resulting economies of close to $2 million for Canadian radio users and immediate participation in the latest patented improvements. Price control attempts are denied.

Precipitating the present enquiry undoubtedly was the fairly recent decision of the Canadian Government to permit returning tourists to bring back into Canada up to $100 worth of American goods. Prominent in these free imports have been cheap radios.

Provided the tourist had visited United States for at least 48 hours, in bringing back a radio for his own use no custom regulation was violated, but the Patent Act most certainly was. This gives the owner of a patent not only exclusive rights of manufacture and sale but also of "using and vending to others to be used." Now as certain fundamental radio parts are covered by patents registered in Canada, those patents are infringed when a set is taken over the border. United States rights end on one side, Canadian begin on the other. Custom regulations have nothing to do with the case at all and it is not expected that they will play any important part in the investigation now under way.

Main attention will probably be directed toward the effect of present prices. The enquiry will have to determine whether these could be considered unreasonable and of a trade restricting nature, in which case abuse under the Patent Act could be charged.

U. S. Industries Consider Branches

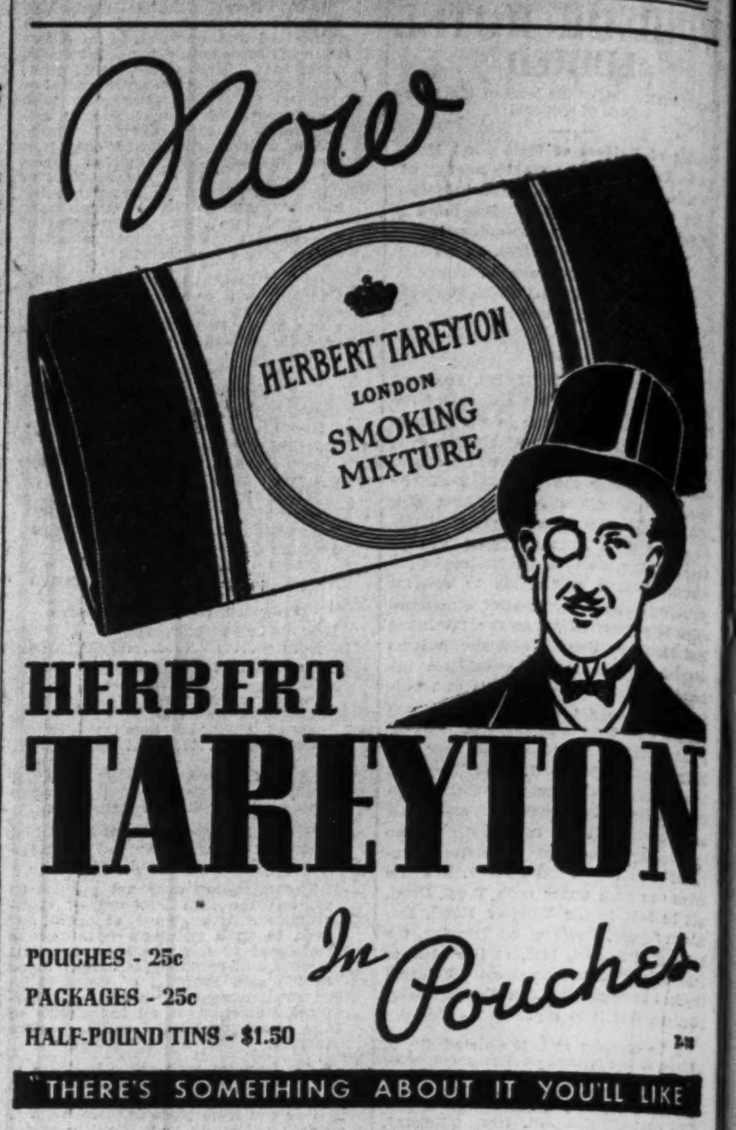
Southern Canada Power Reports Many Enquiries — Await Stability

From Our Own Correspondent

MONTREAL.—Numerous United States manufacturers are showing considerable interest in the idea of a Canadian branch, but they are withholding any definite action because of the present uncertainty in business, labor and legislative affairs both in the United States and Canada, according to a report issued by Southern Canada Power Co.

During the past quarter two new industries have established in southern Canada's territory. The Corbett and Carley Co., manufacturers of cotton uniforms, have established at Rock Island. At St. John's, the Silex Co. acquired premises for the manufacture and assembly of their Silex Coffee Maker for distribution throughout Canada.

In a survey of general industrial conditions in this territory, southern Canada reports that at St. Bruno the Mount Bruno Floral Co. is building an extension to its plant; at St. Pie a new industry known as the Yamaska Lumber Co. has begun operations. Slack Bros., horticultural specialists, are building an extension to their plant at Waterloo, while the Handy Bottle Cap Co. have started operations at St. Johns.



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